



# Agenda

## San Miguel Community Services District

### BOARD OF DIRECTORS

John Green, President  
Anthony Kalvans, Director

Joseph Parent, Vice President  
Gib Buckman, Director

Ashley Sangster, Director

**FRIDAY, MARCH 9, 2018**

**6:00 P.M. Opened Session**

### **BOARD OF DIRECTORS SPECIAL MEETING AGENDA**

**SMCSD Boardroom  
1150 Mission St.  
San Miguel, CA 93451**

**Cell Phones:** As a courtesy to others, please silence your cell phone or pager during the meeting and engage in conversations outside the Boardroom.

**Americans with Disabilities Act:** If you need special assistance to participate in this meeting, please contact the CSD Clerk at (805) 467-3388. Notification 48 hours in advance will enable the CSD to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are available for the hearing impaired.

**Public Comment:** Please complete a "Request to Speak" form located at the podium in the boardroom in order to address the Board of Directors on any agenda item. Comments are limited to three minutes, unless you have registered your organization with CSD Clerk prior to the meeting. If you wish to speak on an item not on the agenda, you may do so under "Oral Communications." Any member of the public may address the Board of Directors on items on the Consent Calendar. Please complete a "Request to Speak" form as noted above and mark which item number you wish to address.

**Meeting Schedule:** Regular Board of Director meetings are generally held in the SMCSD Boardroom on the fourth Thursday of each month at 7:00 P.M. Agendas are also posted at: [www.sanmiguelcsd.org](http://www.sanmiguelcsd.org)

**Agendas:** Agenda packets are available for public inspection 72 hours prior to the scheduled meeting at the Counter/ San Miguel CSD office located at 1150 Mission St., San Miguel, during normal business hours. Any agenda-related writings or documents provided to a majority of the Board of Directors after distribution of the agenda packet are available for public inspection at the same time at the counter/ San Miguel CSD office at 1150 Mission St., San Miguel, during normal business hours.

**I. Call to Order: 6:00 P.M.**

**II. Pledge of Allegiance:**

**III. Roll Call:**

**IV. Approval of Special Meeting Agenda**

**V. ADJOURN TO CLOSED SESSION: None**

**VI. Call to Order for Regular Board Meeting/Report out of Closed Session: None**

**VII. Public Comment and Communications:**

Persons wishing to speak on a matter not on the agenda may be heard at this time; however, no action will be taken until placed on a future agenda. Speakers are limited to three minutes. Please complete a "Request to Speak" form and place in basket provided.

**VIII. Special Presentations/Public Hearings/Other: None**

**IX. Staff & Committee Reports – Receive & File: None**

**X. CONSENT CALENDAR: None**

The items listed below are scheduled for consideration as a group and one vote. Any Director or a member of the public may request an item be withdrawn from the Consent Agenda to discuss or to change the recommended course of action. Unless an item is pulled for separate consideration by the Board, the following items are recommended for approval without further discussion.

**XI. BOARD ACTION ITEMS:**

1. Review and adopt resolution 2018-13 authorizing Staff to prepare and deliver a Notice of Public Hearing to consider water and wastewater user fees Pursuant to Proposition 218, and to increase water and wastewater connection fees.

**RECOMMENDATION:** Review and adopt resolution 2018-13 authorizing Staff to prepare and deliver a Notice of Public Hearing to consider water and wastewater user fees Pursuant to Proposition 218, and to increase water and wastewater connection fees.

**Public Comments:** (Hear public comments prior to Board Action)

M\_\_\_\_\_ S\_\_\_\_\_ V\_\_\_\_\_

**XII. BOARD COMMENT:**

This section is intended as an opportunity for Board members to make brief announcements, request information from staff, request future agenda item(s) and/or report on their own activities related to District business. No action is to be taken until an item is placed on a future agenda.

**XIII. ADJOURNMENT TO NEXT REGULAR MEETING OF 3-22-2018 Time: 7:00 P.M**

ATTEST:

STATE OF CALIFORNIA            )  
COUNTY OF SAN LUIS OBISPO   ) ss.  
COMMUNITY OF SAN MIGUEL    )

I, Tamara Parent, Board Clerk/Accounts Manager of San Miguel Community Services District, hereby certify that I caused the posting of this agenda at the SMCSO office on March 7, 2018 @4:10pm

Date: March 2, 2018

Tamara Parent Approved 2/28/2018

Tamara Parent, Board Clerk/ Accounts Manager

Robert Roberson Approved 2/28/2018

Rob Roberson, Fire Chief/Interim General Manager

John Green Approved 2/28/2018 per. phone

Approved by: President Green



# San Miguel Community Services District Staff Report

March 9<sup>th</sup>, 2018

AGENDA ITEM: XI-1

**SUBJECT** Consider and adopt RESOLUTION 2018-13, authorizing Staff to prepare and deliver a Notice of Public Hearing to consider water and wastewater user fees pursuant to Proposition 218, and authorizing staff to proceed with updating water and wastewater connection fees pursuant to the Mitigation Fee Act.

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## **STAFF RECOMMENDATION:**

Consider and Adopt Resolution No. 2018-13, authorizing staff to prepare and send a notice of public hearing, to consider water and wastewater user fees, and to proceed with updating water and wastewater connection fees.

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## **Background**

Over the past 12-15 months, the District has engaged Bartle Wells Associates to develop a new rate structure for the District's water and wastewater user fees that will provide long-term fiscal sustainability for the District's ongoing capital and maintenance needs, and operating reserves.

In the January and February 2018 board meetings the Board was presented with proposed rate increases as well as information as to the financial position of the Water and Wastewater Funds.

From these prior meetings the District Board, staff and the public all provided feedback which has been included in the rates being proposed in this meeting.

The proposed resolution authorizes District staff to send notice to customers and property owners affected by the proposed rate increase, pursuant to Proposition 218.

## **Discussion**

As discussed in prior meetings the proposed rates for Water and Wastewater will increase revenues to meet the current operational and maintenance costs of the district as well as build capital reserves so that some of the infrastructure needs of the district can be met.

In 2017 the Board approved a deficit budget for both the Water Fund and the Wastewater Fund.

- The Water Fund Deficit approved in the FY 2017-18 budget was \$268,817
- The Wastewater Fund Deficit approved in the FY 2017-18 budget was \$174,141

The preliminary 2018-19 budgets for Water and Wastewater also have a projected deficit if there is not a rate increase in both funds.

- The Water Fund Projected Deficit for FY 2018-19 budget is \$336,722
- The Wastewater Fund Projected Deficit for FY 2018-19 budget is \$177,221

Based on current rates, past budgets and the preliminary FY 2018-19 budget for Water and Wastewater, and calculations by Bartle Wells:

- The Water Fund will have **ZERO** funds by 2020 (2 YEARS) if no new revenue is secured
- The Wastewater Fund will have **ZERO** funds by 2021 (3 YEARS) if no new revenue is secured

Through the research for this rate study it was found that as part of our trust agreement for the new water tank we are required to maintain water rates that provide for 1.10 time all operating and expenses for the water fund.

Per discussions with Bartle wells about possibilities of future loans to fund Capital projects and through research into the existing loan with USDA. It was confirmed that the normal requirement on large loans, which we would need to secure for some of the capital projects, is to have rates that provide 1.20 times the budgeted operation and maintenance budget.

**The District water rates have not meet this requirement since 2013.**

### **Contributing Factors**

The District has experienced unusually high legal expenses over the last few years, due to a variety of factors such as groundwater litigation, SGMA compliance and personnel issues. As operational costs continue to grow; both the Water and Wastewater Reserves have dwindled to near zero.

Unfortunately, we do not have many options to reduce operating costs. We are already operating with the fewest personnel possible and due to the lack of preventative maintenance of our infrastructure in previous years we have experienced and continue to experience numerous, and costly, failures within the water and wastewater systems.

Some of the growing operational costs are due to the growth of the District. A larger portion of the costs are related to the age of the infrastructure, and deferred maintenance.

Other increases are due to those increases from vendors to recoup their costs for inflation and regulatory mandates.

Through the budget process, the District seeks to minimize the overall cost of providing Water and Wastewater service to the community. The District also must account for the actual costs of providing those services, which at this point is exceeding our annual revenue.

There are also capital projects that are needed that have been put off, in some cases for decades, which are coming to be critically needed.

## Connection Fees

As part of the rate study and increase we are recommending that the board approve an increase to connection fees. Increasing connection fees will aid in building necessary capital improvement funds so that new development pays its fair share for the facilities that are required for new growth.

Connection fees are a function of the cost to provide new service and related infrastructure for water and sewer services. Connection fees help the district to build capital reserves in order to fund replacement and upgrades to the Districts infrastructure, the rate study prepared by Bartle Wells Associates allocates the costs of new infrastructure that should be paid through connection fees, which will ultimately help to offset some of the costs to existing customers.

The District last updated its connection fees in 2008:

- Single Family (per unit)
  - Water \$9,490 (1" service)
  - Sewer \$8,332
- Multi Family (per unit)
  - Water \$5,694 (1" service)
  - Sewer \$4,999

The District's proposed connection fees are, based on the analysis of Bartle Wells Associates, are as follows:

- Single Family (per unit)
  - Water \$12,540 (1" service)
  - Sewer \$12,330
- Multi Family (per unit)
  - Water \$12,540 (5/8" service)
  - Sewer \$7,710

Connection Fees are subject to the Mitigation Fee Act.<sup>1</sup> If the District board authorizes staff to move forward with the proposed connection fees, the final fee resolution will be presented after a noticed public hearing in April or May 2018. Staff recommends that the Board direct staff to increase the proposed connection fees, as outlined, to be effective June 1<sup>st</sup>, 2018.

## Timeline

Due to the length of time that we have been working on this current rate study we are providing a history of previous rate studies and increases as well as a time line of this rate study and related events that are pending this rate study.

2001 the district was formed and initial rates were set for water and wastewater services and connection fees within the district.

2002 The District completed and adopted a Water Masterplan

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<sup>1</sup> Gov. Code, § 66000 *et seq.*

2005 The District completed and adopted a Wastewater Masterplan

December 2005 The District increased wastewater rates based on Ordinance 00-02

November 2007 The District, started a rate study with Tuckfield and Associates

- This was a requirement from USDA to qualify for a Grant Loan to replace the failing 143,000-gallon inground tank with a new 650,000-gallon above ground tank.

January 2008

- The District adopted the water rate study by Tuckfield and Associates
- Adopted Water rates took effect July 2008 and were to be applied annually thereafter with board approval

April 2008

- The District adopted the wastewater rate study by Tuckfield and Associates based on Ordinance 02-08

August 2009

- Approved water and wastewater rate increases per the rate study by Tuckfield and Associates for FY2010-11 based on Resolution 10-05

December 2011

- Approved water rate increase per the rate study by Tuckfield and Associates for FY2011-12

March 2012

- Approved wastewater rate increase per the rate study by Tuckfield and Associates for FY2012-13

November 2013

- Request was brought to the Board to start a new rate study since the previous one adopted in 2008 was nearly complete. Request was denied. Estimate at the time was \$45,000 from the Wallace Group
- **At this meeting information was also provided by the General Manager that the water fund was not meeting its obligation to provide rates that meet the 1.10 times operating budget as required by the trust agreement for the tank loan from USDA.**

2013 The District changed from bi-monthly to monthly billing for water and wastewater services.

### **December 2016**

The Board approved a contract with Bartle Wells to perform a rate study for water and wastewater services within the District. Contract awarded for \$70,000

January 2017 to June 2017

- Minimal action on the part of the district to supply requested information to Bartle Wells.
- Main accomplishment during this time was compilation of the customer data

Special Meeting 3-9-2018

#### July 2017 to January 2018

- With the departure of the General Manager, District staff reopened communications with Bartle Wells Staff and provided updated and complete information to Bartle Wells.

#### November 2016

Board Approved Water and Wastewater Master plan completed by Monsoon Consulting

#### January 2018

- The Board was presented with initial findings and information on the proposed rates.
- The Board provided minimal feedback
- For clarification the Board requested that additional backup information be provided.

#### February 2018

- The Board was presented with backup information on the basis for the proposed rate increases.
- The Board requested to investigate whether multifamily rates would help lower the impact on single family rates
- **PROPOSED START TO THE PROPOSITION 218 PROCESS MARCH 22<sup>ND</sup> WITH PROPOSED ADOPTION MAY 24<sup>TH</sup>**

#### March 2018

- The Board is being presented refined rates and rate structure for water and wastewater.
- The Board is also being presented with increased connection (capacity) fees for new development.
- **POSSIBLE START TO THE PROPOSITION 218 PROCESS MARCH 22<sup>ND</sup> WITH PROPOSED ADOPTION MAY 24<sup>TH</sup>**

#### March 22, 2018

- **PROPOSED START TO THE PROPOSITION 218 PROCESS WITH APPROVAL OF THE BOARD SCHEDULED ADOPTION MAY 24<sup>TH</sup>**
- If approval to proceed with the Proposition 218 process is granted in March Public outreach for rates. Open house style meeting

#### April 2018

- **Initial 2018-19 budgets will be presented to the Board**
- Water and sewer revenue will be based on the current rate structure until new rates are adopted
- Public outreach for rates. Open house style meeting

#### April 10<sup>TH</sup> 2018

- **APRIL 10<sup>TH</sup> IS THE DEADLINE TO MAIL NOTICES TO CUSTOMERS AND PROPERTY OWNERS TO MEET 45 DAY MINIMUM NOTICING PERIOD FOR ACTION ON MAY 24<sup>TH</sup>**

#### May 2018

- Public outreach for rates. Open house style meeting



May 24<sup>th</sup>, 2018

- **PUBLIC HEARING FOR THE ADOPTION OF WATER AND WASTEWATER RATES, AND CONNECTION FEES**
- **Review 2018-19 budgets by the Board**
- Water and sewer revenue will be based on the current rate structure until new rates are adopted which will be reflected in the deficit budget

June 2018

- **ADOPTION OF FY2018-19 BUDGET BY THE BOARD**
- Water and sewer revenue will be based on the current rate structure until new rates are adopted which will likely lead to deficit budgets in water and wastewater

July 1<sup>ST</sup>, 2018

- **BEGINNING OF THE FISCAL YEAR 2018-19**

### **Proposition 218 Process**

Proposition 218 established substantive and procedural requirements for a public agency increasing property related fees and charges. “Fee” under Proposition 218 means “any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.”<sup>2</sup> Water and Wastewater rates are deemed fees under the above definition.<sup>3</sup> Proposition 218’s requirements apply to fees charged by a local government to provide Water and Wastewater services.

#### *Proposition 218 Substantive Requirements*

Property related fees must comply with the following substantive provisions of Proposition 218:

- a. Revenues derived from the fee must not exceed the funds required to provide the property-related service;
- b. Revenues derived from the fee must not be used for any purpose other than that for which the fee is imposed;
- c. The amount of a fee imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel;
- d. The fee may not be imposed for a service unless the service is actually used by, or immediately available to, the owner of the property subject to the fee;
- e. No fee or charge may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners.

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<sup>2</sup> Cal. Const., art. 13D, § 2.

<sup>3</sup> Cal. Const., art. 13D, § 6(c).

### *Procedural Requirements*

To begin the Proposition 218 process, the District must first provide notice of the proposed increase, by mail, to all customers affected by the proposed rate increase. The notice must be sent to the record owners of each property receiving District services subject to the rate increase. The notice must state the date of a future public hearing. The public hearing allows District customers to provide comments and to protest the proposed rate increase.

### **Fiscal Impact**

There is no cost to review this information.

Once the Board authorizes staff to proceed with the notice of the Rate increase through the Proposition 218 process there will be limited cost in providing notices (VIA mail, newspaper) and holding informational meetings for the public.

### **Recommendation**

Adopt Resolution No. 2018-13, authorizing staff to prepare and send a notice of public hearing, to increase water and wastewater user fees, pursuant to Proposition 218, and authorizing staff to proceed with an update to the District's water and wastewater connection fees.

### **Attachment**

1. Resolution 2018-13
2. Proposed water and wastewater user rates



*2017-18 Water and Wastewater Rate Study*  
*March 9, 2018*



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

# Water Enterprise

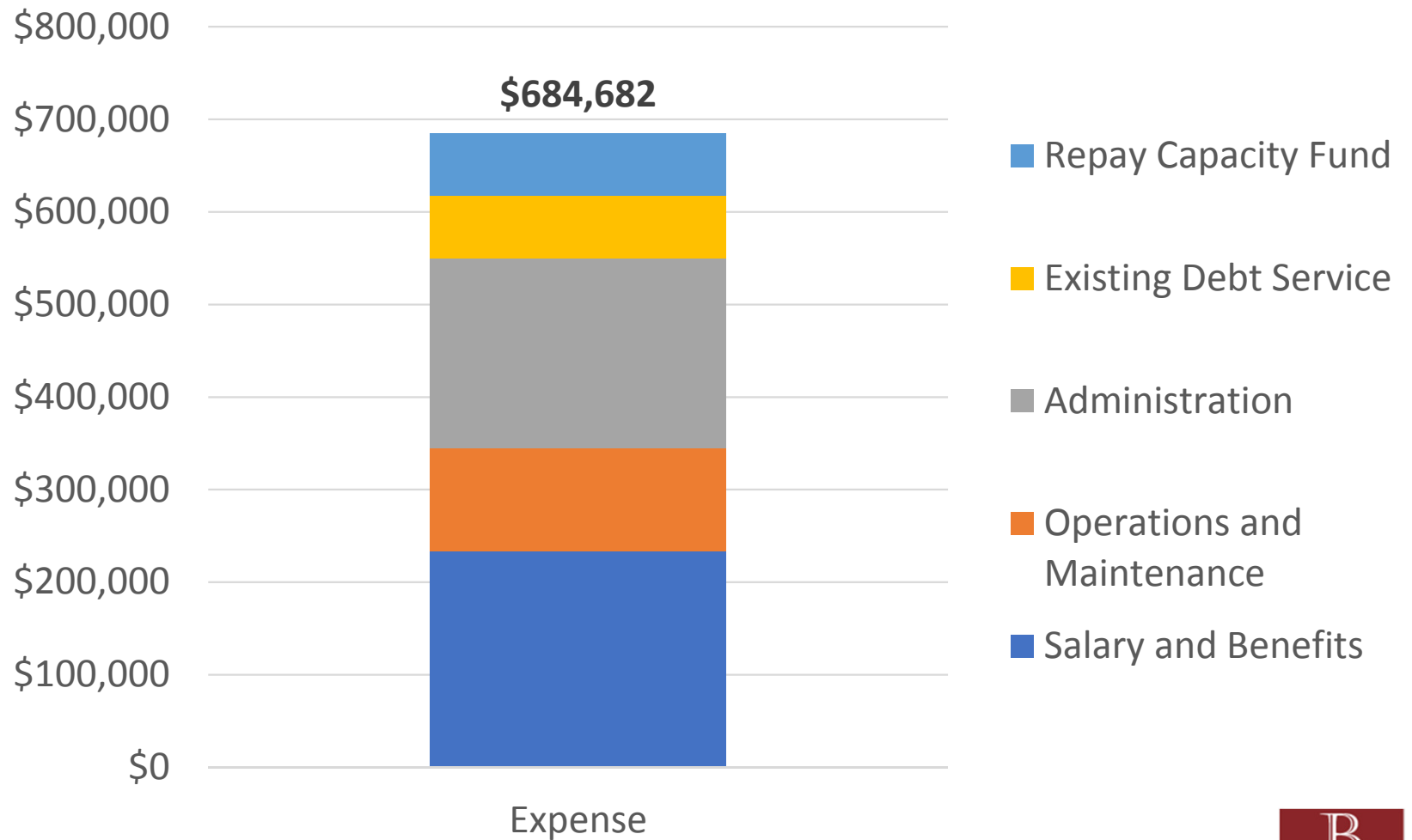


# Water Fund Key Issues

- **Operating fund deficit**
  - FY 18/19 projected operating deficit \$336,722
  - To only pay for existing operations (no capital or additional debt service), a 100% rate revenue increase is needed
  - With no rate increase, the District will have zero funds in FY 20-21
- **Projected reserves end of FY 17/18**
  - Operating: \$0
  - Capacity: \$445,261
- **Ten-year capital plan (adjusted for inflation)**
  - \$12.5 million



# Water FY 18-19 Operating Budget



# Ten-Year Water Capital Plan

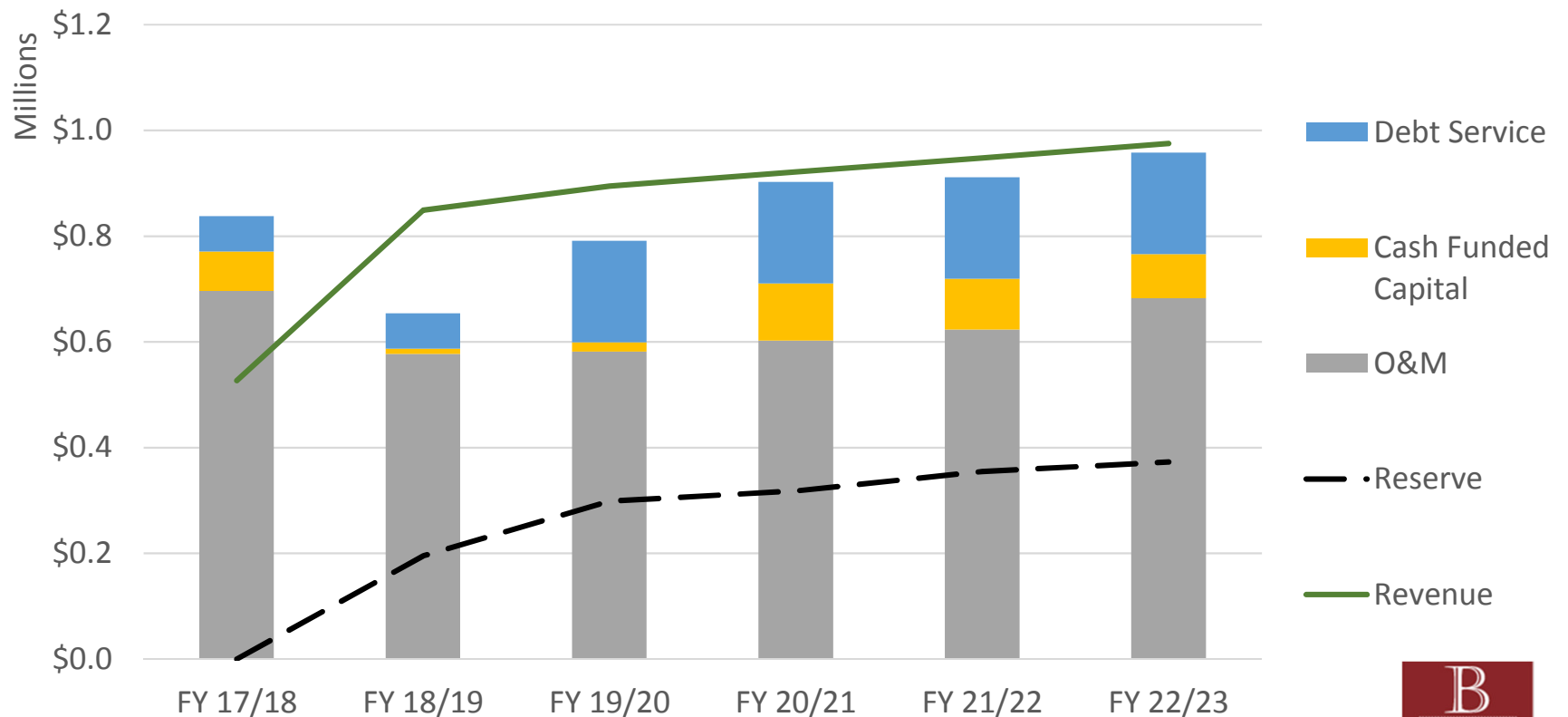
- Capital expenditures included in proposed rates
  - **\$4.8 million** (inflation included)
- Projects dependent on regulation
  - Water treatment upgrade: \$5.2 million
    - Potential capital surcharge \$22.70 per month per EDU
      - 40 years
  - SLT pressure system: \$1.2 million
    - Potential capital surcharge \$13.60 per month per EDU
      - 15 years



# Five-Year Water Financial Plan

- Projected Rate Revenue Increases

FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
140.0%	3.0%	3.0%	3.0%	3.0%



3/7/2018





# Water Rate Structure Recommendations

## Residential

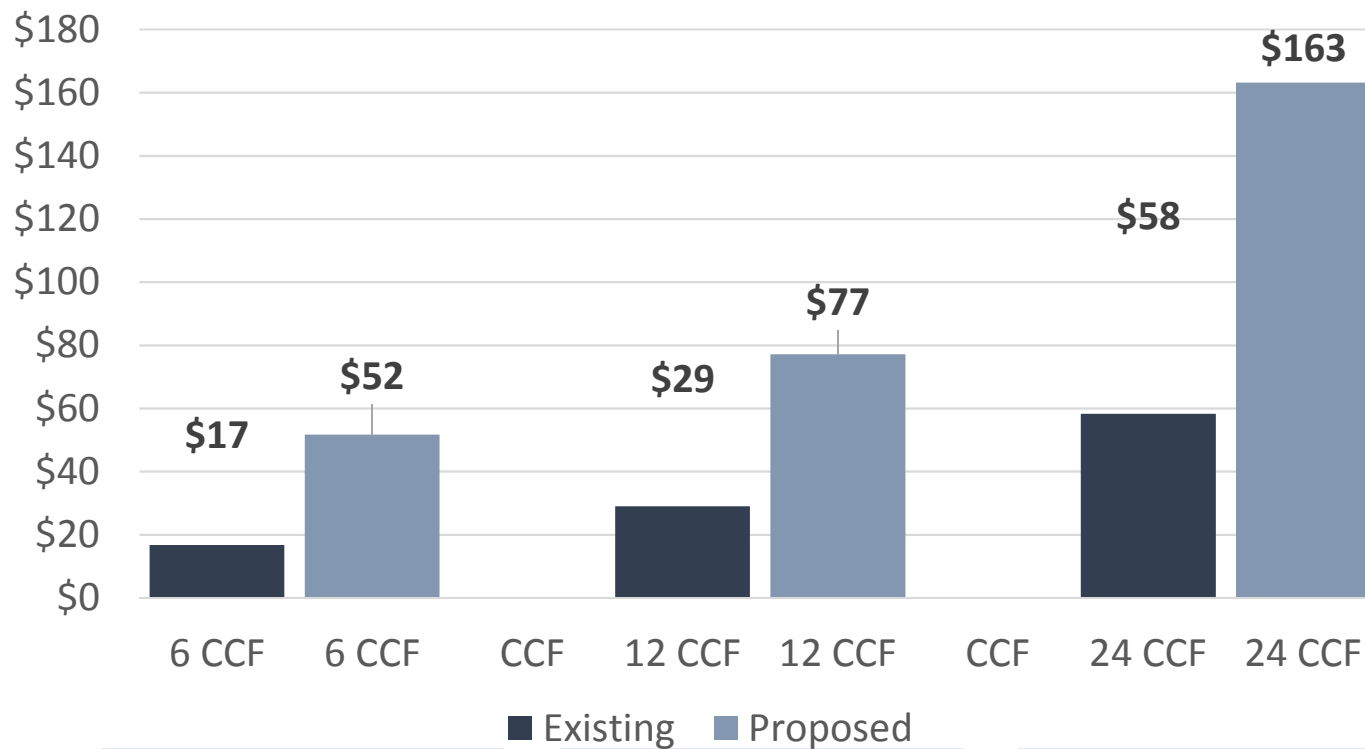
- Three tiers based on layering supplies

## Non-Residential

- Two tiers to not prioritize any specific type of commercial use but still reflect to cost of service

# Residential Water Customer Bill Impacts

Residential Bill Comparison (5/8" Meter)



Less than 40% of bills greater than 6 CCF

Bill Increase  
• \$34.97

Less than 75% of bills greater than 12 CCF

Bill Increase  
• \$48.11

Less than 95% of bills greater than 24 CCF

Bill Increase  
• \$104.84



# Proposed Water Impact Fees

Recommendation: Multi-Family as Non-Residential

<b>Fixed Rates (All Customers)</b>		<b>FY 18-19</b>
<i>Meter Size</i>	<i>Existing</i>	<i>Proposed</i>
<b><i>Residential</i></b>		
Single Family	\$9,490	\$12,540
<b><i>Non-Residential</i></b>		
5/8"	\$9,490	\$12,540
3/4"	\$14,235	\$18,810
1"	\$23,725	\$31,360
1 1/2"	\$47,450	\$62,710
2"	\$75,920	\$100,340
3"	\$142,350	\$200,680
4"	\$237,250	\$313,560
6"	\$569,400	\$627,120



# Proposed Monthly Rates

<b>Fixed Rates (All Customers)</b>		<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>
<i>Meter Size</i>	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
5/8"	\$14.69	\$47.47	\$48.90	\$50.37	\$51.89	\$53.45
3/4"	\$14.69	\$47.47	\$48.90	\$50.37	\$51.89	\$53.45
1"	\$22.85	\$47.47	\$48.90	\$50.37	\$51.89	\$53.45
1 1/2"	\$39.17	\$79.06	\$81.44	\$83.89	\$86.41	\$89.01
2"	\$55.49	\$116.97	\$120.48	\$124.10	\$127.83	\$131.67
6"	\$300.29	\$647.71	\$667.15	\$687.17	\$707.79	\$729.03



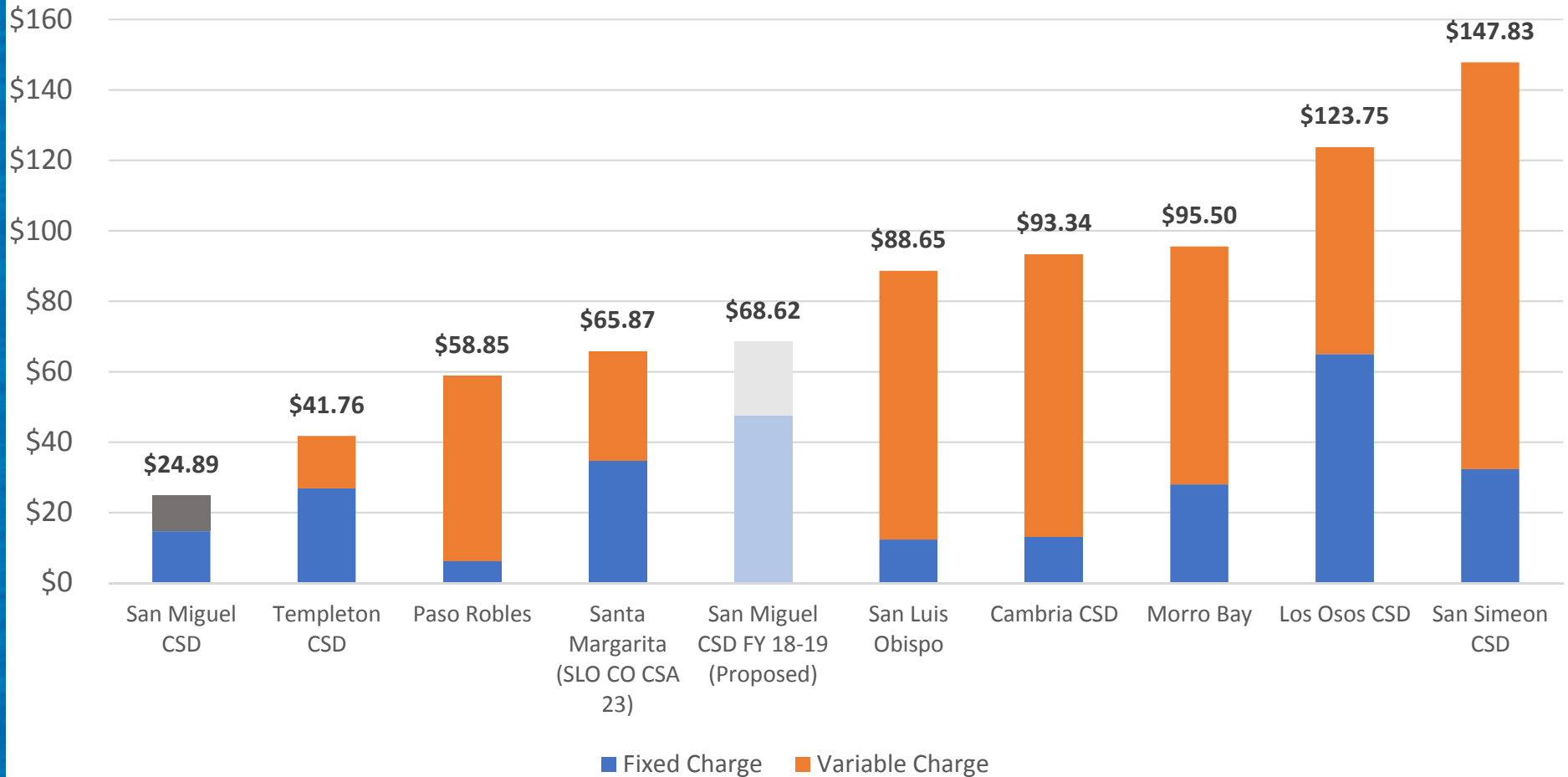
# Proposed Monthly Rates

Volumetric Rates	FY 17-18		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
	<i>Existing</i>		<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<b>Single-Family Residential</b>							
<b><i>Existing Structure</i></b>		<b><i>Proposed Structure</i></b>					
Tier 1 (0-5 CCF)	\$0.00	(0-5 CCF)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2 (6-12.5 CCF)	\$2.04	(6-12 CCF)	\$4.23	\$4.36	\$4.50	\$4.64	\$4.78
Tier 3 (12.5-25 CCF)	\$2.46	(>12 CCF)	\$7.17	\$7.39	\$7.62	\$7.85	\$8.09
Tier 4 (25+ CCF)	\$3.27						
<b>Non-Residential</b>							
<b><i>Existing Structure</i></b>		<b><i>Proposed Structure</i></b>					
Tier 1 (0-5 CCF)	\$0.00	(0-5 CCF)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2 (6-12.5 CCF)	\$2.04	(>6 CCF)	\$4.94	\$5.09	\$5.25	\$5.41	\$5.58
Tier 3 (12.5-25 CCF)	\$2.46						
Tier 4 (25+ CCF)	\$3.27						

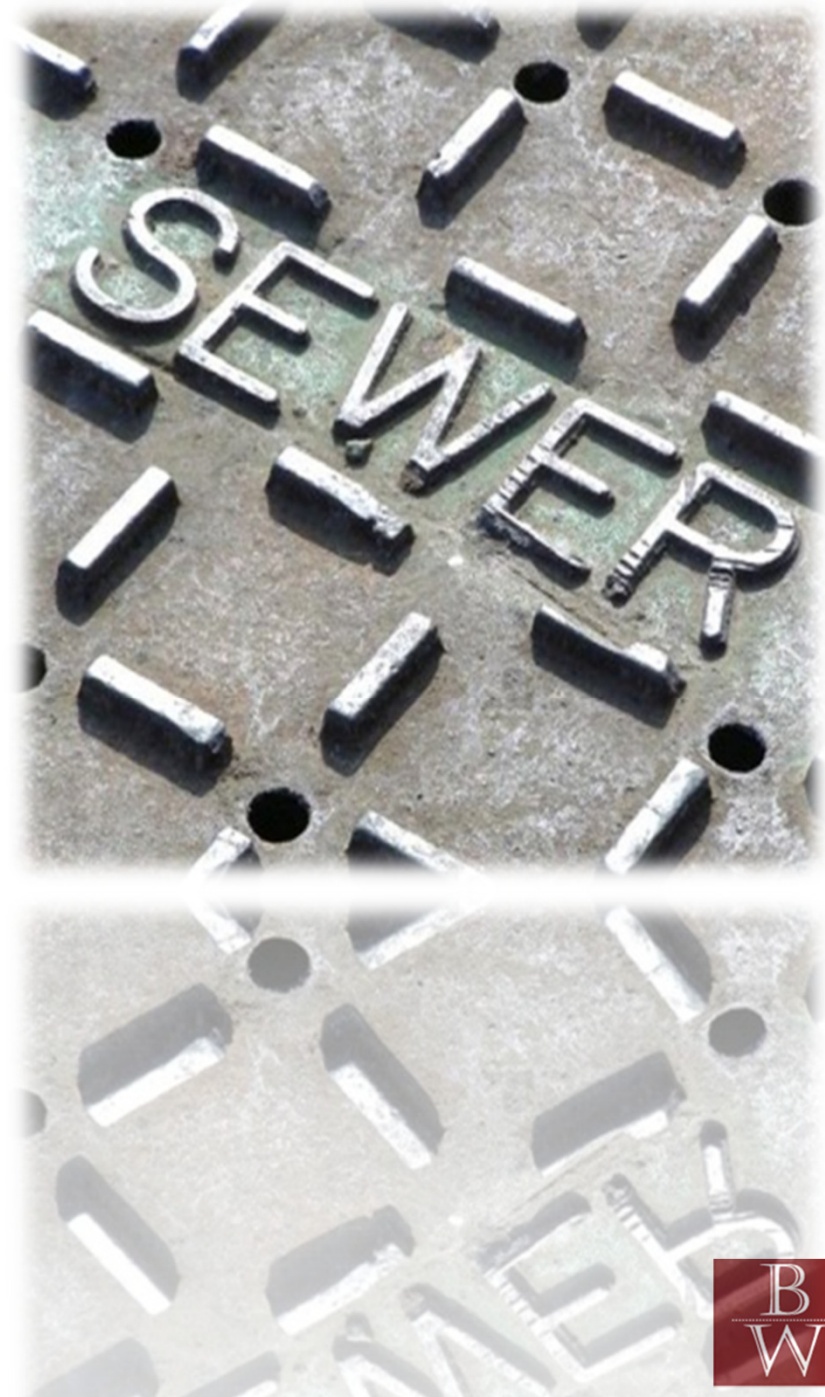


# Monthly Residential Water Rate Survey

Average use of 10 ccf



# Wastewater Enterprise



# Wastewater Fund- Key Issues

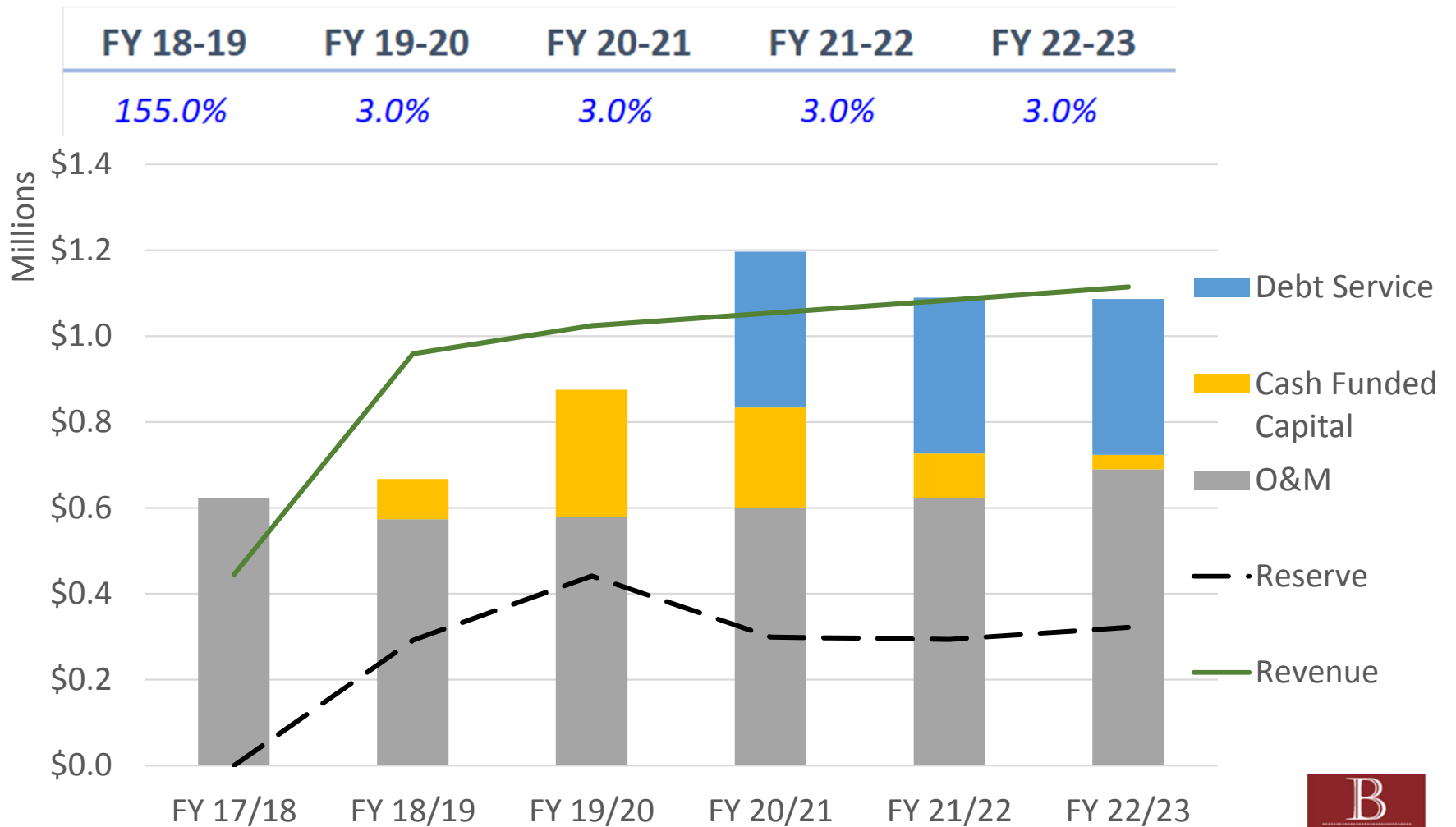
- **Operating fund deficit**
  - FY 17/18 projected operating deficit \$177,221
  - To only pay for existing operations (no capital or additional debt service), a 50% rate increase is needed
  - With no rate increase, the District will have zero funds in FY 21-22
- **Projected reserves end of FY 17/18**
  - Operating: \$0
  - Capacity: \$372,194
- **Ten-Year Capital Plan (Adjusted for Inflation)**
  - \$12.7 million



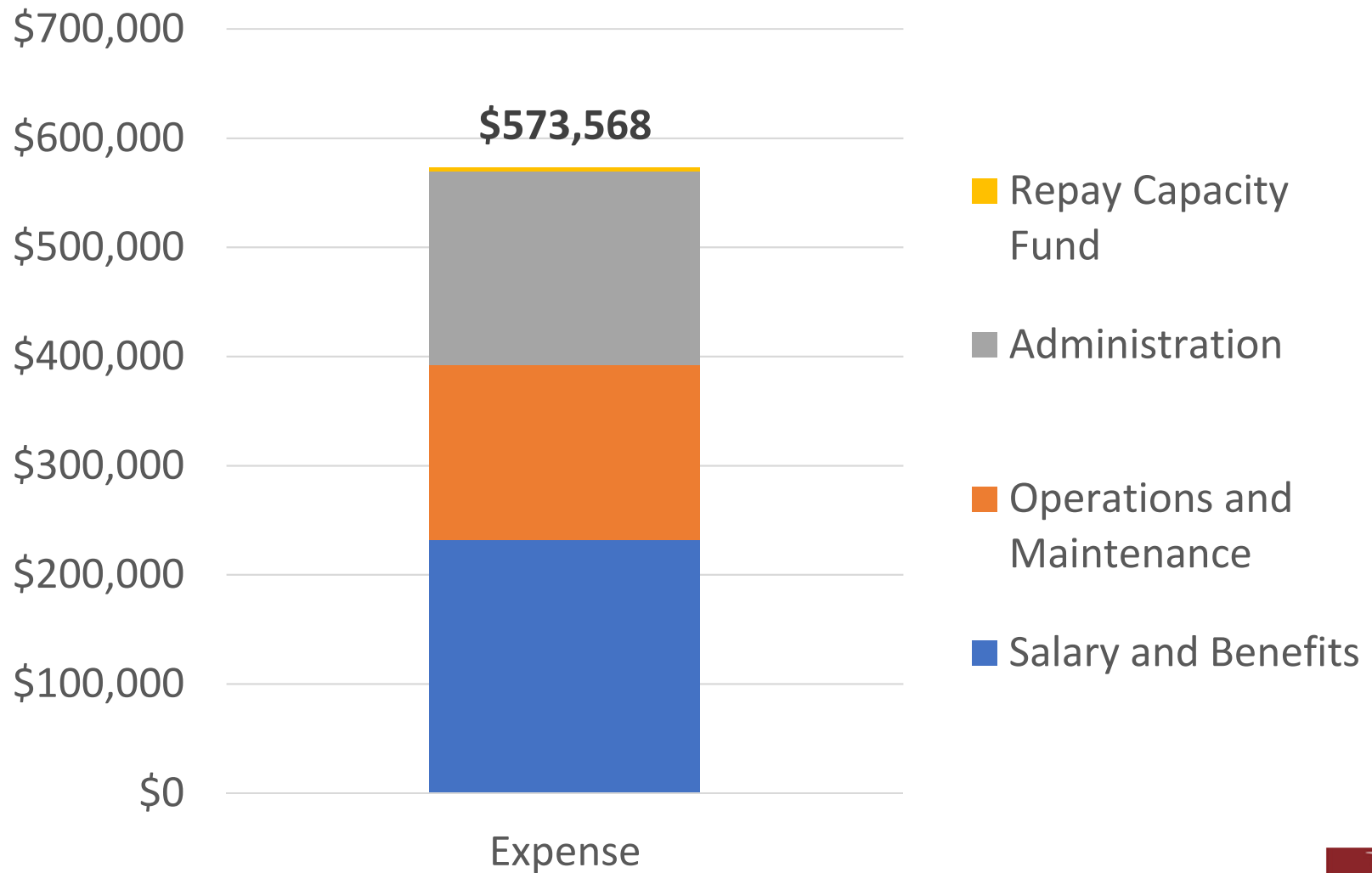


# Five-Year Wastewater Financial Plan

- Projected Rate Revenue Increases

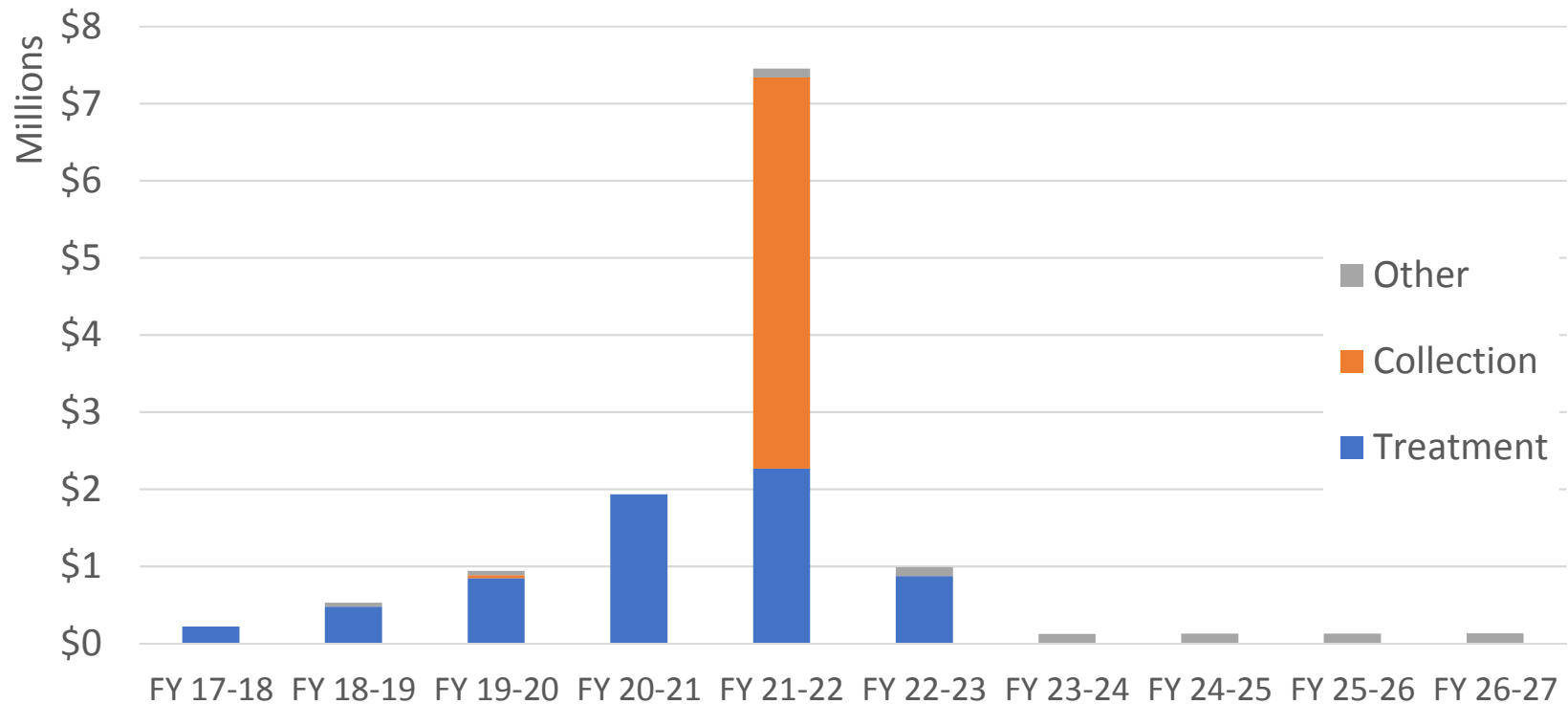


# Wastewater FY 18-19 Operating Budget



# Ten-Year Wastewater Capital Plan

- Total Capital Spending **\$12.7 Million**



# Wastewater Rate Structure

## Recommendations

### Non-Residential

- Set single-family charge as a base charge
- Keep a specific rate for the school to account for irrigation
- Move to volumetric rate based on strength
  - Medium Strength
  - High Strength



# Proposed Wastewater Impact Fees

<b>Fixed Rates (All Customers)</b>		<b>FY 18-19</b>
<i>Meter Size</i>	<i>Existing</i>	<i>Proposed</i>
<b><i>Residential</i></b>		
Single Family	\$8,332	\$12,330
Multi-Family	\$4,999	\$7,710
<b><i>Non-Residential</i></b>		
5/8"	\$8,332	\$12,330
3/4"	\$12,498	\$18,500
1"	\$20,830	\$30,830
1 1/2"	\$41,660	\$61,670
2"	\$66,656	\$98,670
3"	\$124,980	\$197,340
4"	\$208,300	\$308,340
6"	\$499,920	\$616,670



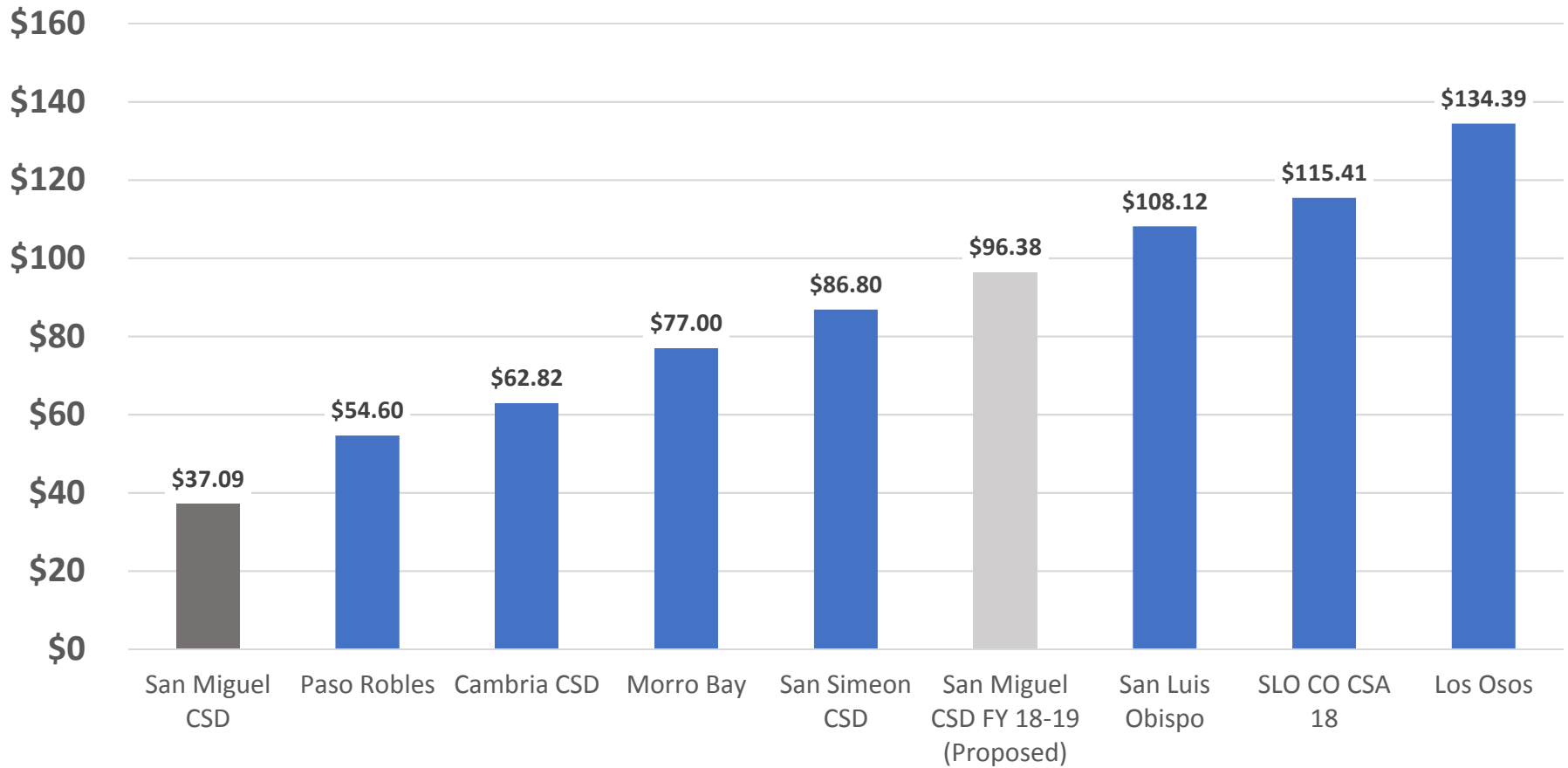
# Wastewater Proposed Rates

Volumetric Rates	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<b>Single-Family Residential</b>						
Fixed	\$37.09	\$96.38	\$99.28	\$102.26	\$105.33	\$108.49
<b>Multi-Family Residential</b>						
Fixed (Per Unit)	\$22.77	\$60.24	\$62.05	\$63.92	\$65.84	\$67.82
<b>Commercial</b>						
Fixed Charge	37.09*	\$72.46	\$74.64	\$76.88	\$79.19	\$81.57
Volumetric (All Use)						
Medium Strength		\$6.50	\$6.70	\$6.91	\$7.12	\$7.34
High Strength		\$9.50	\$9.79	\$10.09	\$10.40	\$10.72
<b>Lift Station Charges</b>						
River Zone Charge		\$23.34	\$24.05	\$24.78	\$25.53	\$26.30
*Existing rates include various business category surcharges						

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# Monthly Residential Sewer Rate Survey



# Next Steps

March 22,  
2018

- Present rates and seek Board permission to issue 218 Notice

May 25,  
2018

- Public hearing and ordinance adoption

June 1,  
2018

- Rates implemented



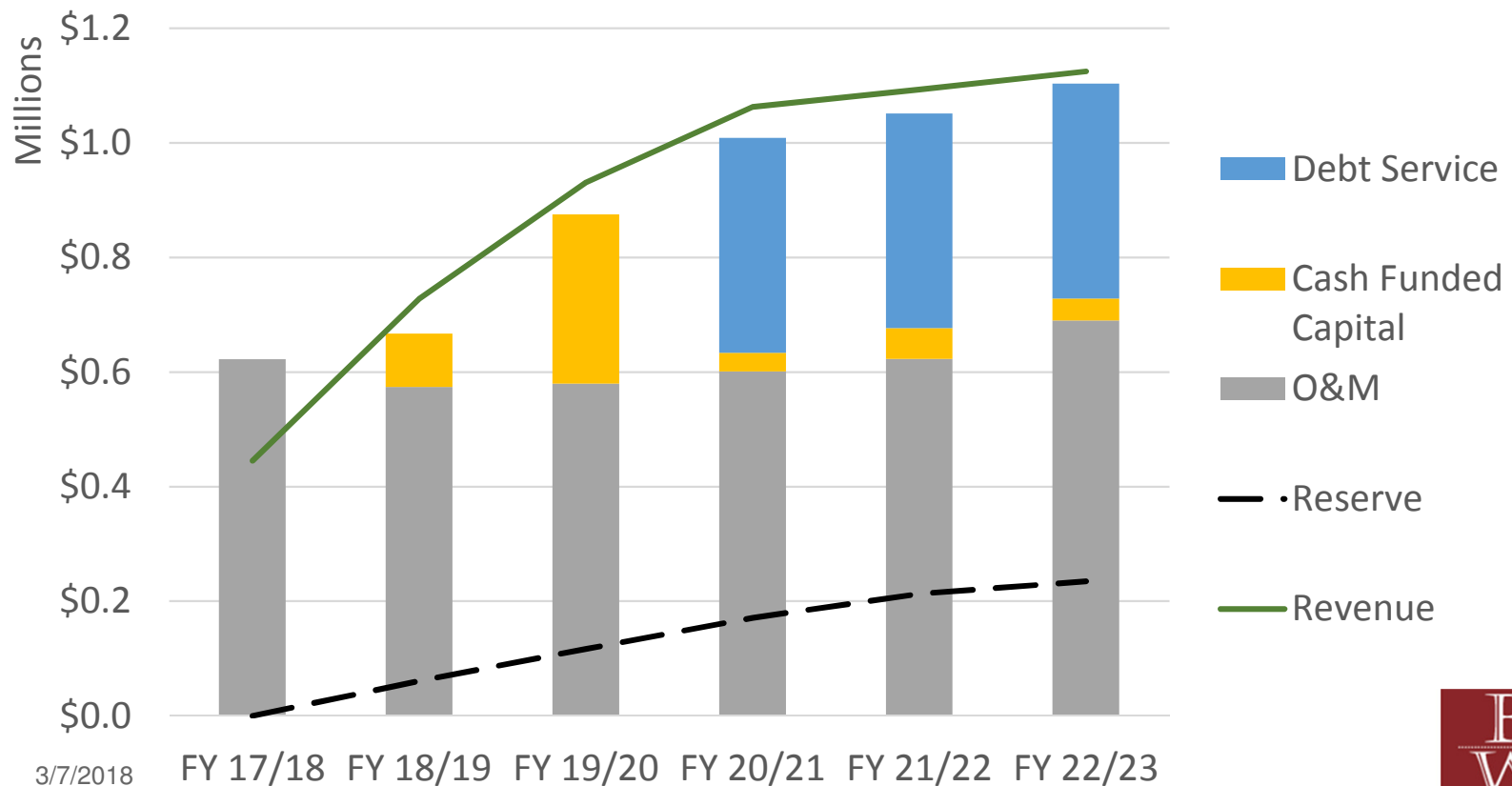
# Questions and Comments?



# Five-Year Wastewater Financial Plan Phase-In Option

- Projected Rate Revenue Increases

FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
90.0%	25.0%	15.0%	3.0%	3.0%



# Wastewater Proposed Rates Phase-In Option

<b>Volumetric Rates</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<b><i>Single-Family Residential</i></b>						
Fixed	\$37.09	\$71.82	\$89.78	\$103.25	\$106.35	\$109.55
<b><i>Multi-Family Residential</i></b>						
Fixed (Per Unit)	\$22.77	\$44.89	\$56.12	\$64.54	\$66.48	\$68.48
<b><i>Commercial</i></b>						
Fixed Charge	37.09*	\$62.93	\$78.67	\$90.48	\$93.20	\$96.00
Volumetric (All Use)						
Medium Strength		\$4.51	\$5.64	\$6.49	\$6.69	\$6.90
High Strength		\$6.43	\$8.04	\$9.25	\$9.53	\$9.82
<b><i>Lift Station Charges</i></b>						
River Zone Charge		\$23.34	\$29.18	\$33.56	\$34.57	\$35.61

\*Existing rates include various business category surcharges

**RESOLUTION NO. 2018- 13**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL COMMUNITY SERVICES DISTRICT AUTHORIZING STAFF TO PREPARE AND DELIVER NOTICE OF A PUBLIC HEARING TO INCREASE WATER AND WASTEWATER USER RATES, PURSUANT TO PROPOSITION 218**

**WHEREAS**, the San Miguel Community Services District (“District”) provides potable water and wastewater services throughout the District; and

**WHEREAS**, the user fees for potable water services are insufficient to cover the costs of providing those services; and

**WHEREAS**, the user fees for wastewater services are insufficient to cover the costs of providing those services; and

**WHEREAS**, the District must also insure adequate revenue to meet future financial obligations; and

**WHEREAS**, the District must comply with the substantive and procedural requirements of Proposition 218 when increasing water and wastewater user fees; and

**WHEREAS**, the District must deliver notice of the proposed fee increase to customers of record; and

**WHEREAS**, customers receiving the notice will be provided an opportunity to protest the increase, and, if a majority protest, the District may not implement the rate increase; and

**NOW THEREFORE, BE IT RESOLVED**, the District Board of Directors does, hereby, authorize District staff to prepare and send notice of a public hearing, pursuant to Proposition 218, to consider increasing water and wastewater user rates.

**NOW THEREFORE, BE IT FURTHER RESOLVED**, the District Board of Directors authorizes District staff to proceed with an update to the District’s connection fees for water and wastewater, pursuant to the fee analysis report prepared under the direction of District staff.

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_ and on the \_\_\_\_\_ following roll call vote, to wit:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAINING:**

the foregoing Resolution is hereby passed and adopted this 9th day of March 2018.

\_\_\_\_\_  
Robert Roberson, Interim GM

\_\_\_\_\_  
John Green, Board President

ATTEST:

\_\_\_\_\_  
Doug White, District General Counsel