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www.stancounty.com/publicworks

BOARD OF SUPERVISORS

2012 MAR 13 A 10:13

MEMORANDUM

DATE: March 13, 2012
TO: Christine Ferraro
FROM: Sylvia Jones
SUBJECT: Keyes Community Services District – Public Hearing

Hi Christine,

We received the enclosed Notice of Public Hearing in the Public Works department regarding a protest vote to proposed changes to water and sewer rates for the Keyes Community Services District. I believe it should be directed to your area, therefore I am forwarding this information to you.

I can be reached at 525-4128.

**NOTICE TO PROPERTY OWNERS & PRIMARY RATE PAYERS
REGARDING
PUBLIC HEARINGS ON PROPOSED CHANGES TO WATER AND SEWER RATES
FOR THE KEYES COMMUNITY SERVICES DISTRICT**

TO BE HELD: TUESDAY, APRIL 24, 2012, 6:00 P.M.
AT: THE KEYES COMMUNITY CENTER 5506 JENNIE AVENUE, KEYES, CA 95328

Dear Property Owner or Primary Ratepayer,

The Keyes Community Services District (the "District") currently charges its customers for water and sewer service. The District must make improvements to its water and sewer systems in order to comply with state law, as well as continue to serve the community of Keyes with reliable and available water and sewer service. The cost of these improvements will require the District to increase its water and sewer rates over the next five (5) years. If the new water and sewer rates are approved, these rates will become effective **July 1, 2012**, and will be adjusted annually each July 1st through the year 2015.

A comprehensive study demonstrating how the proposed fees were developed is available for your inspection during regular business hours at the **District Office located at 5601 7th Street, Keyes, CA 95328.**

SEWER RATES

Why New Sewer Rates Are Needed:

The District provides wastewater collection service to approximately 1,525 customers. The wastewater is collected through a system of sewer lines and special pumping stations called "lift stations," and is delivered to the wastewater treatment plant owned by the City of Turlock. The District must make improvements to two (2) of its existing lift stations in order to continue to provide reliable sewer service to its current customers. Additionally, the District's existing sewer system is operating at full capacity. This means that the District cannot accommodate any new sewer connections unless the system is expanded. This expansion will require the District to construct a new lift station.

Basis For New Sewer Rates

The proposed sewer rates are fixed monthly charges that reflect the estimated wastewater flow of each customer classification.

The proposed sewer rates are contained in the table on the following page:

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COUNTY P.WORK STANISLA STA0013
4601 LUCINDA AVE
1716 MORGAN RD
STORM LIFT STATION CA 95356
MODESTO

Schedule of Proposed Sewer Service Rates

Fixed Charges

Classification	Existing Rates	July 1, 2012-13	July 1, 2013-14	July 1, 2014-15	July 1, 2015-16
	\$/month	\$/month	\$/month	\$/month	\$/month
Inside District					
Single-family	\$43.68	\$49.31	\$55.73	\$62.97	\$64.23
Multi-family	\$34.94	\$39.47	\$44.56	\$50.41	\$51.39
Mobile Home	\$34.94	\$39.47	\$44.56	\$50.41	\$51.39
Commercial - Low	\$43.68	\$49.31	\$55.73	\$62.97	\$64.23
Commercial - Med	\$75.61	\$85.44	\$96.55	\$109.10	\$111.28
Commercial - High	\$111.73	\$129.17	\$145.83	\$162.50	\$166.67
Schools	\$1,176.19	\$1,391.67	\$1,575.00	\$1,775.00	\$1,816.67
Outside District					
Single-family	\$56.81	\$64.81	\$73.15	\$82.41	\$84.26

WATER RATES

Why New Water Rates Are Needed:

The District provides water service to customers within the District’s boundaries, as well as several customers outside the District. The District is required by law to comply with Federal regulations on the amount of arsenic allowed in drinking water. The drinking water wells in Keyes, as well as the surrounding communities of Turlock, Hughson, Ripon, and others contain more arsenic than allowed under the federal standard. As a result, KCSD is required to build a water treatment plant to remove arsenic from the drinking water before it can be distributed to KCSD’s customers. More information on the Federal “arsenic rule” can be found on the web at:

<http://water.epa.gov/lawsregs/rulesregs/sdwa/arsenic/regulations.cfm>

KCSD is seeking state assistance and grants to help pay for the treatment plant, but the District must provide funds for construction and other expenses that wouldn’t be covered by the grants. As a result, the District must raise its rates for water service to provide the necessary funding.

Basis For New Water Rates:

The current water rates consist of a fixed monthly charge combined with a metered volume or “consumption charge” which is based on the amount of water you use. The new rates will also be based

on a fixed monthly charge and a metered volume or “consumption charge.” The metered rate is per hundred cubic feet (“HCF”) of water consumed. One HCF is equivalent to 748 gallons of water. The average consumption for a single-family residential connection (3/4”) is 20 HCF per month.

The proposed rates for users inside the District’s boundaries and the proposed rates for users outside the District’s boundaries are contained in the following tables:

Schedule of Proposed Inside District Water Service Rates



Monthly Fixed Charges

Classification	Existing	July 1,	July 1,	July 1,	July 1,
	Charge	2012-13	2013-14	2014-15	2015-16
	\$/month	\$/month	\$/month	\$/month	\$/month
Single Family	\$18.71	\$21.59	\$27.21	\$34.28	\$34.97
Multifamily	14.97	\$17.27	\$21.76	\$27.42	\$27.97
Mobile Home	\$14.97	\$17.27	\$21.76	\$27.42	\$27.97
Commercial (by meter size)					
5/8"	\$18.71	\$21.59	\$27.21	\$34.28	\$34.97
3/4"	\$18.71	\$21.59	\$27.21	\$34.28	\$34.97
1"	\$29.94	\$35.99	\$45.34	\$57.13	\$58.27
1 1/2"	\$37.43	\$71.97	\$90.68	\$114.26	\$116.55
2"	\$74.85	\$115.16	\$145.10	\$182.83	\$186.49
3"	\$112.28	\$215.92	\$272.05	\$342.78	\$349.64
4"	\$149.71	\$359.86	\$453.42	\$571.31	\$582.74
6"	\$374.26	\$863.67	\$1,088.22	\$1,371.16	\$1,398.58

Volume Charge (Consumption Charge)

Classification	Rate	Existing	July 1,	July 1,	July 1,	July 1,
	Block	Rates	2012-13	2013-14	2014-15	2015-16
	\$/HCF					
All Customers		\$0.76	\$1.07	\$1.35	\$1.70	\$1.73

Schedule of Proposed Outside District Water Service Rates

Monthly Fixed Charges

Classification	Existing	July 1,	July 1,	July 1,	July 1,
	Charge	2012-13	2013-14	2014-15	2015-16
	\$/month	\$/month	\$/month	\$/month	\$/month
Single Family	\$18.71	\$25.91	\$32.65	\$41.14	\$41.96
Multifamily	\$14.97	\$20.73	\$26.11	\$32.90	\$33.56
Mobile Home	\$14.97	\$20.73	\$26.11	\$32.90	\$33.56
Commercial (by meter size)					
5/8"	\$18.71	\$25.91	\$32.65	\$41.14	\$41.96
3/4"	\$18.71	\$25.91	\$32.65	\$41.14	\$41.96
1"	\$29.94	\$43.18	\$54.41	\$68.56	\$69.92
1 1/2"	\$37.43	\$86.37	\$108.82	\$137.11	\$139.86
2"	\$74.85	\$138.19	\$174.12	\$219.40	\$223.79
3"	\$112.28	\$259.10	\$326.46	\$411.34	\$419.57
4"	\$149.71	\$431.83	\$544.10	\$685.57	\$699.29
6"	\$374.26	\$1,036.40	\$1,305.86	\$1,645.39	\$1,678.30

Volume Charge (Consumption Charge)

Classification	Rate	Existing	July 1,	July 1,	July 1,	July 1,
	Block	Rate	2012-13	2013-14	2014-15	2015-16
		\$/HCF				
All Customers		\$0.99	\$1.28	\$1.62	\$2.04	\$2.08

COMPLIANCE WITH PROPOSITION 218 & PUBLIC HEARING INFORMATION

In 1996, California voters approved Proposition 218 ("Prop. 218"), which amended the California state constitution regarding the process for imposing or increasing property-related fees. Prop. 218 requires local government agencies to follow specific procedures when setting fees for water and sewer service. These procedures require the District to: 1) Inform all affected property owners that a proposed rate increase is being considered (which is the purpose of this Notice); 2) Demonstrate and explain the basis upon which the proposed rates are calculated (this Notice and the "rate study" available at the District

Office); 3) Hold a public hearing regarding the matter at least 45 days after mailing of the rate-increase Notice.

The rates proposed in this Notice are subject to a “majority protest,” which means the rates cannot be adopted by the District if a majority of the property owners (or renters, where a renter is responsible for paying the water or sewer rates for the rented property) submit a written protest against these rates by the close of the public hearing.

There will be separate hearings for the proposed Sewer Rates and the proposed Water Rates, with both hearings scheduled back-to-back on **Tuesday, April 24, 2012, at the KEYES COMMUNITY CENTER located at 5506 JENNIE AVENUE, KEYES, CA 95328 starting at 6:00 P.M. The Sewer Rate Hearing will begin at 6:00, and the Water Rate hearing will immediately follow, not to begin earlier than 6:30 P.M.**

To Protest the Proposed Water and Sewer Rates:

If you wish to protest the proposed Sewer Rates and/or the proposed Water Rates, you may file a written protest, and return it to the District in the enclosed envelope or you may deliver it in person at the public hearing. Once the public hearing is closed, no further protests will be received. Only one protest per rate type, per property will be counted (one for Sewer, and one for Water), which means that where a property is owned by more than one owner, or where a renter is responsible for water and sewer service, only one protest will be counted for that property.

Written protests MUST contain the following information:

- 1. Name of renter or owner of property;**
- 2. Assessor’s Parcel Number of the property (located on return envelope included with this Notice;**
- 3. Which rate increase is being protested (water, sewer, or both water and sewer); and**
- 4. Signature of owner or renter submitting the protest.**

If you have any questions about this Notice, please contact the District Office at (209) 668-834.

Sincerely,

KEYES COMMUNITY SERVICES DISTRICT