

ARVIN COMMUNITY SERVICE DISTRICT

Proposition 218 Notification

Notice of Proposed Increase to Water Rates

Notice is hereby provided that the Arvin Community Service District (“District”) Board of Directors (“Board”) has called a public hearing for January 17, 2017, at 6:00 p.m. to consider an increase in water rates for the District’s Water System. In compliance with Proposition 218 requirements (Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act), all affected customers are being notified of the proposed rate increase.

Background Information

Updated water quality standards and naturally occurring arsenic have required the District to drill at least 5 new wells, a significant capital expense. Two of these wells have already been completed, which has lowered arsenic levels significantly in the District’s water supply. Completing these projects will enable the District to provide safe and reliable water services to its customers. The District relies almost exclusively on revenue from customer charges to fund the operation, maintenance, rehabilitation and improvement of water facilities; no property or sales taxes are used to support the District. As a public agency, by state law, the District may not collect more revenue than is necessary to recover the cost of providing water service. The Board is considering rate increases to fund necessary operation, maintenance and in particular, expected debt service payments to fund capital improvement costs related to arsenic mitigation. Inflation, based on the type of costs in the District’s budget, has been included in the District’s projected expenditures, for the five-year period.

How Your Water Service Charges Are Calculated

Your water service charges consist of monthly fixed charges plus a commodity charge based on the amount of water used. For example, the Fiscal Year 2016/17, water service charges for a single-family property with a ¾-inch meter and monthly water consumption of 10 hundred cubic feet (hcf) would be as follows:

$$\text{Fixed charge (\$19.88) plus Commodity Charge (10 hcf x \$1.14) = \$31.28}$$

The proposed water rates and the annual rate increases that are necessary to meet these obligations are shown in the table below, along with current rates:

Current and Proposed Water Rates

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Fixed Service Charge						
Monthly Fixed Service Charges:						
3/4 inch	\$11.00	\$19.88	\$22.96	\$26.51	\$30.62	\$35.37
1 inch	\$14.00	\$32.46	\$37.49	\$43.30	\$50.01	\$57.76
1.5 inch	\$20.00	\$63.90	\$73.81	\$85.25	\$98.46	\$113.73
2 inch	\$26.00	\$101.64	\$117.40	\$135.60	\$156.61	\$180.89
3 inch	\$38.00	\$202.28	\$233.64	\$269.85	\$311.68	\$359.99
4 inch	\$50.00	\$315.50	\$364.40	\$420.89	\$486.12	\$561.47
6 inch	\$74.00	\$630.00	\$727.65	\$840.43	\$970.70	\$1,121.16
Monthly Fire Service Charges:						
3 inch	\$27.00	\$20.98	\$24.23	\$27.99	\$32.32	\$37.33
4 inch	\$33.00	\$40.95	\$47.30	\$54.63	\$63.10	\$72.88
6 inch	\$45.00	\$92.31	\$106.61	\$123.14	\$142.23	\$164.27
8 inch	\$57.00	\$160.78	\$185.70	\$214.49	\$247.73	\$286.13
Commodity Charges for All Water Consumed						
Rate per hcf of Water Consumed	\$1.25	\$1.14	\$1.32	\$1.53	\$1.76	\$2.04

If implemented, the new water rates will take effect starting on February 1, 2017. The subsequent adjustments shown above are to take place over the following four years on January 1st starting in 2018 (with the final adjustment occurring January 1, 2021), after which time no further increases may take place without a new notice and hearing pursuant to Proposition 218. The proposed annual adjustments are subject to the Board's discretion each year to forego or reduce the planned adjustments.

Notice of Public Hearing

The Board of Directors have called a public hearing at 6:00 p.m. on January 17, 2017 at the City of Arvin Veteran's Hall 414 4th Street, Arvin, CA 93203 to consider adoption of the increased water rates for Fiscal Year 2016/17 through Fiscal Year 2020/21 described above.

Rate Increase Approval Process

All District customers, which include owners of real property (or renters of such property), who wish to protest the District's water rate increases can submit a formal written protest and/or attend the public hearing to give comments about the proposed water rate increases. The Board will consider all written protests at the public hearing. Only one written protest per parcel will be counted.

Formal protests to the proposed water rate increase must be submitted in writing. Written protests must be received by 5:00 p.m. on January 17, 2017 in the District Office (309 Campus Drive, Arvin, CA 93203) or prior to the close of the public hearing on January 17, 2017 at the City of Arvin Veteran's Hall (414 4th Street, Arvin, CA 93203).

Written protests must contain (1) a description of the property, such as the service address, account number (as shown on monthly bills) or Kern County Assessor's Parcel Number (APN); (2) the name(s) of the property owner(s) or renter(s); and (3) a statement that it is a protest against the proposed charge. The protest must also be signed by either the property owner of record or the water service customer of record. Only one protest for each property will be counted even if a property owner and a customer both submit protests.

Mailed written protests must be addressed to:

Arvin Community Services District
309 Campus Drive
Arvin, CA 93203

If you wish to protest the proposed rate increases you must submit a written protest, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected customers or property owners (representing 50% plus one of the parcels served), the proposed rate increases cannot be imposed. Your written protest must be received (not postmarked) by District staff prior to the close of the public hearing on January 17, 2017. Written protests may be filed by US Mail or hand-delivered to the District's office. **EMAIL AND FACSIMILE (FAX) PROTESTS WILL NOT BE ACCEPTED.**

Any additional information about the increase may be obtained from the District office by phone at (661) 854-2127, or at the address listed above.

If you are not in opposition to the proposed rates, no action is required on your part.

DATED: November 30, 2016



Name/Title: Raul Barraza, Jr. / General Manager

Arvin Community Services District