

Lake Don Pedro Community Services District
9751 Merced Falls Rd. La Grange, CA 95329
(209) 852-2331 – www.ldpcsd.org

DIRECTORS
Dan Hankemeier, President
Emery Ross, Vice President
Dan Johnson
Russell Warren
Nellie Sperry

Special Meeting of the Board of Directors
2411 Hidalgo, La Grange CA
Monday, November 8, 2021 at 4:00 p.m.
Please note: This meeting will be held outside

***Mission Statement:** The Lake Don Pedro CSD is dedicated to providing our customers with ample quantities of high quality water meeting all standards, in a fiscally responsible manner.*

AGENDA

1. **CALL TO ORDER:** Presiding Officer: Establish Quorum, Pledge of Allegiance:
2. **PUBLIC COMMENT:** A note regarding public comment on this agenda item. The Board President will open up public comment for this agenda item. A maximum of **three minutes** is allowed each person. Each person will be allowed to speak one time only. For the sake of time, we would appreciate if everyone would please refrain from repeating what has already been said.
3. **DISCUSSION / ACTION:**
 - ▶ **Open Public Hearing**
 - a. **Public Hearing, Proposition 218 Rate Increases**
 - ▶ Request – to accept the Resolution Regarding the Proposed Rate Increases effective January 1st, 2022
 - ▶ **Close Public Hearing**
4. **ADJOURNMENT:**

Meeting agendas and written materials supporting agenda items, if produced, can be received by the public for free in advance of the meeting by any of the following options:

- A paper copy viewed at the District office, 9751 Merced Falls Rd., La Grange, CA 95329 during business hours or mailed pursuant to a written request and payment of associated mailing fees
 - An electronic copy received by email. Note - a form requesting email delivery of agendas and/or meeting materials must be completed a minimum of one week in advance of the meeting
 - Viewed on the Board page of the District's website
 - A limited number of copies of agenda materials will also be available at the meeting
- Americans with Disabilities Act Compliance: If you require special assistance to participate in Board Meetings, please contact the LDPCSD Board Secretary at (209) 852-2251 Ext. 2. Advance notification will enable the District to make reasonable arrangements to insure accessibility



NOTICE OF PUBLIC HEARING PROPOSED INCREASE OF WATER SERVICE RATES

THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT, in compliance with Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act, is hereby notifying all affected property owners and ratepayers of the following:

- The Lake Don Pedro Community Services District is proposing to increase its water service rates. The proposed increases are needed to invest in and maintain modern and reliable water infrastructure and adequately fund the ongoing costs of providing water service to properties within the District. Revenue from the water service rates pays for the operation and maintenance of, and capital improvements to, the District's water system.
- This notice includes the proposed schedule of rates for January 2022 through 2026. If the proposed rates are adopted by the District Board of Directors, the proposed rates will become effective for services provided on and after January 1, 2022, and will be adjusted each January 1 thereafter beginning January 1, 2023, and through and including, January 1, 2026.

A Public Hearing on the proposed water service rates will be held on **November 8th 2021 at 4:00 PM**, to consider the adoption of a 5-year schedule of water rates. The public hearing will be held at **Lake Don Pedro Elementary School**, located at **2411 Hidalgo St, La Grange 95329**. The purpose of the public hearing is to consider all oral testimony and written protests to, and the adoption of, the proposed rates.

DISTRICT BACKGROUND

Lake Don Pedro Community Services District provides water service to customers in both Mariposa and Tuolumne Counties. The community encompasses portions of La Grange and Coulterville, CA, and is minutes away from two of California's beautiful lakes – Lake Don Pedro and Lake McClure. The District is dedicated to providing its customers with high quality water meeting all California water standards, while maintaining the lowest rates possible to provide the service.

WHY ARE WATER RATE INCREASES NEEDED?

The District is committed to providing the highest quality water at the lowest possible rates for our customers. To meet this commitment, over the last five years the District has worked to manage operations and maintenance costs and maintain lower water rates. Despite these efforts, there are costs that continue to increase that cannot be avoided. The District engaged NBS consultants (NBS) to perform an independent water rate study and evaluate the operations, maintenance and infrastructure improvement costs of the District's water system and the rates that will be necessary to recover the costs of those services for the next five years. A cost of service and rate study demonstrates what it costs the District to provide water service and the appropriate rates to fairly and appropriately allocate the costs of providing water to our customers. The cost of providing water includes not only the water the District purchases, but the infrastructure that treats and delivers the water to ensure that there is safe and reliable water to meet the demands of all our water customers twenty-four hours a day, seven days a week.

Based on NBS's evaluation, it has been determined that rate adjustments and increases are necessary for the District's water service charges to enable the District to:

- Recover current and long-term projected costs of operating and maintaining the water system;
- Fund capital infrastructure improvements needed to repair and update the District’s aging water system;
- Maintain the operational and financial stability of the water utility;
- Comply with State mandated drinking water regulatory requirements; and
- Avoid operational deficits and depletion of reserves.

HOW THE RATES ARE CALCULATED

The proposed rates are calculated to recover the costs of providing water services and to proportionately allocate those costs on a per account basis among the District’s customers. The proposed water rate structure has three customer classes—Residential, Commercial and Fire Protection. The proposed rate structure has two components—a Service Charge, and a Commodity Charge. The proposed rates are described in more detail below.

The proposed Service Charge is a fixed monthly charge calculated to recover a portion of the District’s fixed costs, such as meter reading, billing and collections. The proposed rates for the Service Charge are established on the basis of the size of the meter (in inches) serving a property to recover the incremental costs of sizing facilities to sufficiently deliver water to properties served by larger meters.

The Commodity Charge is a variable charge imposed per unit of delivered water, with one unit equal to one hundred cubic feet (HCF), or 748 gallons, and is calculated to recover a portion of the District’s fixed costs and its variable costs of providing water service. The Fire Service Charge recovers that District’s fixed costs of operating and maintaining infrastructure for private fire service. For all customers, the Commodity Charge is a uniform rate per HCF of water delivered during a billing period.

The amount of the Service Charge and the Fire Service Charge imposed is the same each month. The amount of the Volume Charge imposed varies each month depending on the number of units of water each customer uses during the billing period.

PROPOSED WATER RATES

Lake Don Pedro Community Services District is proposing to increase water service rates as shown in the table below. The proposed rate increases are designed to meet the District’s water system funding needs and recover the proportionate cost of providing water service to all customers. The current rates, proposed rates, and effective dates for the Service Charges, Fire Service Charges, and Volume Charges are set forth in the tables below.

| CURRENT AND PROPOSED RATES FOR MONTHLY FIXED SERVICE CHARGE (\$/METER SIZE) | | | | | | |
|--|---------------|------------------------------------|----------|----------|------------|------------|
| Meter Size | Current Rates | Proposed Rates and Effective Dates | | | | |
| | | 1/1/2022 | 1/1/2023 | 1/1/2024 | 1/1/2025 | 1/1/2026 |
| 5/8 inch | \$53.00 | \$54.08 | \$57.86 | \$61.91 | \$66.24 | \$70.87 |
| 1 inch | \$106.00 | \$135.83 | \$145.33 | \$155.50 | \$166.38 | \$178.02 |
| 1.5 inch | \$159.00 | \$168.53 | \$180.32 | \$192.94 | \$206.44 | \$220.89 |
| 2 inch | \$265.00 | \$332.03 | \$355.27 | \$380.13 | \$406.73 | \$435.20 |
| 3 inch | \$530.00 | \$528.24 | \$565.21 | \$604.77 | \$647.10 | \$692.39 |
| 4 inch | \$1,060.00 | \$822.55 | \$880.12 | \$941.72 | \$1,007.64 | \$1,078.17 |

| CURRENT AND PROPOSED RATES FOR MONTHLY FIXED FIRE SERVICE CHARGE (\$/METER SIZE) | | | | | | |
|--|---------------|------------------------------------|----------|----------|----------|----------|
| Meter Size | Current Rates | Proposed Rates and Effective Dates | | | | |
| | | 1/1/2022 | 1/1/2023 | 1/1/2024 | 1/1/2025 | 1/1/2026 |
| 6 inch | \$60.00 | \$108.09 | \$115.65 | \$123.74 | \$132.40 | \$141.66 |

| CURRENT AND PROPOSED RATES FOR MONTHLY COMMODITY CHARGE (\$/HCF) | | | | | | |
|--|---------------|------------------------------------|----------|----------|----------|----------|
| Customer Class | Current Rates | Proposed Rates and Effective Dates | | | | |
| | | 1/1/2022 | 1/1/2023 | 1/1/2024 | 1/1/2025 | 1/1/2026 |
| All Customers | \$2.00 | \$2.42 | \$2.58 | \$2.76 | \$2.95 | \$3.15 |

The Proposed Drought Rates shown below will replace the monthly commodity charges shown in the water rate table above if water conservation is mandated. The level of conservation mandated will determine the associated rates.

| PROPOSED DROUGHT RATES FOR MONTHLY COMMODITY CHARGE (\$/HCF) | | | | | |
|--|------------------------------------|----------|----------|----------|----------|
| Mandated Level of Conservation | Proposed Rates and Effective Dates | | | | |
| | 1/1/2022 | 1/1/2023 | 1/1/2024 | 1/1/2025 | 1/1/2026 |
| 10% | \$2.51 | \$2.68 | \$2.86 | \$3.06 | \$3.27 |
| 20% | \$2.61 | \$2.79 | \$2.98 | \$3.18 | \$3.40 |
| 30% | \$2.74 | \$2.93 | \$3.13 | \$3.34 | \$3.57 |
| 40% | \$2.91 | \$3.11 | \$3.32 | \$3.55 | \$3.79 |
| 50% | \$3.15 | \$3.37 | \$3.60 | \$3.85 | \$4.11 |
| 60% | \$3.52 | \$3.76 | \$4.02 | \$4.30 | \$4.60 |

COMMENTS AND WRITTEN PROTESTS

Any record owner of a parcel upon which the water service charges are proposed to be imposed and any tenant directly liable for the payment of water service charges (i.e., a customer of record who is not a property owner) may submit a written protest to the proposed rate adjustments and increases to the District’s water service charges; **however, only one protest will be counted per identified parcel.** Any written protest must: (1) state that the identified property owner or tenant is opposed to the proposed water rate adjustments and increases; (2) provide the location of the identified parcel (by street address, assessor’s parcel number, or customer account number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted to the Board Secretary by mail or in person at **9571 Merced Falls Road, La Grange, CA 95329**, or at the public hearing **scheduled for 4:00 PM on November 8th 2021, located at Lake Don Pedro Elementary School, 2411 Hidalgo St, La Grange, 95329.** All written protests must be received prior to the close of the public comment portion of the public hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a valid written protest. Please indicate on the outside of any envelope mailed to the District Attn: Rate Hearing.

The Board of Directors will accept and consider all written protests and will hear and consider all oral comments to the proposed rate adjustments and increases at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the public hearing, the Board of Directors will consider adoption of the proposed rate increases as described in this notice. If written protests against the proposed rates are not presented by a majority of the property owners or tenants of the identified parcels subject to the proposed rate increases, the Board of Directors will be authorized to adopt the rate increases.



Lake Don Pedro Community Services District

**PROPOSED INCREASE OF WATER SERVICE RATES
PROTEST BALLOT**

No electronic protest ballots will be counted. Return to LDPCSD by mail or in person.

Name: _____

Parcel number *or* parcel address *or* customer account number (if property owner has multiple properties, all properties need to be listed individually):

Signature: _____

RESOLUTION 2021-15

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT ADOPTING NEW WATER RATES

WHEREAS, the Lake Don Pedro Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

WHEREAS, the District hired NBS Government Finance Group to conduct a water rate analyses, to ensure that the District has sufficient funds to provide water services, to maintain adequate reserves and comply with all State and Federal regulatory mandates; and

WHEREAS, LDPCSD faces increased costs to pump, treat, and deliver potable water and to operate, maintain, repair and replace its aging infrastructure, and to establish adequate reserves to provide therefore and for emergencies such as pump failure. We must continue to invest in capital improvement projects to upgrade our antiquated distribution system; and

WHEREAS, the cost of service and rate study demonstrates what it costs the District to provide water service and the appropriate rates to fairly and appropriately allocate the costs of providing water to our customers. The cost of providing water includes not only the water the District purchases, but the infrastructure that treats and delivers the water to ensure that there is safe and reliable water to meet the demands of all our water customers twenty-four hours a day, seven days a week; and

WHEREAS, the above mentioned facts and circumstances entail increased costs to the District, and require increased revenue in order for the District to properly carry out its functions and serve the residents and businesses within its service area; and

WHEREAS, the District Board of Directors voted and approved a rate design options that were presented by NBS Government Finance Group for review in November 2020 meeting and adopted Resolution 2020-12; and

WHEREAS, Lake Don Pedro CSD Board of Directors chose Alternative A .
Alternative A – 70% fixed 30% variable costs.
Alternative B – 60% fixed 40% variable costs; and

WHEREAS, Lake Don Pedro CSD Board of Directors voted to increase our existing rates 7 % annually over a five year period. If approved increases will take effect January 1st 2022, and then follow January 1st 2023, January 1st 2024, January 1st 2025, and January 1st 2026
Percentage increase options were: 5%, 7%, 8%, 10%; and

WHEREAS, based on NBS's evaluation, it has been determined that rate adjustments and increases are necessary for the District's water service charges to enable the District to: Recover current and long-term projected costs of operating and maintaining the water system; fund capital infrastructure improvements needed to repair and update the District's aging water system; maintain the operational and financial stability of the water utility; comply with State mandated drinking water regulatory requirements; and avoid operational deficits and depletion of reserves; and

WHEREAS, NBS Government Financial mailed a Proposition 218 Public Hearing Notice on September 20th, 2021. Notices were sent to all owners of property within the District and all District service customers informing them of the proposed rate increases, the reasons therefore, the right to protest any increases and the procedure therefore; and

WHEREAS, LDPCSD Board of Directors agreed on conducting a Proposition 218 Public Hearing on November 8th 2021, 4:00PM at Lake Don Pedro Elementary School located at 2411 Hidalgo La Grange CA; and

WHEREAS, District Board of Directors, attorney, staff, and contracted consultant NBS Government Financial will be present to answer any questions and provide information requested from public and oversee the process ; and

WHEREAS, protest votes will be counted on the evening of the Proposition 218 Public Hearing. This resolution will be in place and signed if rate increase is adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT SHALL ADOPT APPROVED RATE INCREASE

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on November 8th, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Hankemeier, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary

CERTIFICATE OF

SECRETARY (STATE OF

CALIFORNIA) (COUNTY OF

MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Special Meeting of the Board of Directors of the Lake Don Pedro Community Services District duly called and held at the District office at 9751 Merced Falls Road, La Grange, CA 95239, on November 8th, 2021.