



Proposition 218 Notification

Notice of Public Hearing Date and Water Rate Adjustments

In accordance with California Constitution Article XIII D, the Centerville Community Services District (the "District") recommends adopting proposed fees and charges. You are receiving this notice in compliance with California Proposition 218 requirements which state that all impacted property owners are mailed a notice of proposed rate changes at least 45 days prior to the public hearing. This notice describes the District's proposed rate increases and explains why they are necessary. It also provides information on how to file a protest of the proposed rate increases if so desired. Please call the office at (530) 246-0680 should you have any questions.

At the April 16, 2025, Regular Board meeting the Directors reviewed and adopted a preliminary Operations & Maintenance ("O&M") Budget based upon the completed cost-of-service analysis.

The Board of Directors set a public hearing for **June 18, 2025, at 7:00 pm** ("Regular Board Meeting"). The Regular Board Meeting will be held at the District Office located at 8930 Placer Road, Redding, CA. Please refer to the posted agenda for the most current meeting information. At the public hearing, the proposed rate increases will be presented, and the public will be given an opportunity to comment. If adopted, the proposed changes will become effective July 1, 2025.

The following is a summary of the recommended adjustments:

- A rate adjustment is proposed to the current **Base Rates** - affecting all customers.
- A rate adjustment is proposed to the **Water Availability Charge (WAC)** - affecting 16 customers.
- Adjustments are proposed to the **Base Rate Surcharge for Pump Zone A and Pump Zone A1** - affecting approximately 154 customers.

Basis of Proposed Rates

In providing an adequate water supply and service to its customers, the District requires a total revenue adequate enough to ensure the proper operation and maintenance ("O&M") of the distribution system, which includes the development and sustainability of the water system as well as preserving the District's financial stability. The District utilizes a cash-needs approach as the basis of rate-making. The basic revenue requirement components of the cash-needs approach are O&M expenses, taxes or transfer payments, debt-service payments, contributions to specific reserves, and the cost of capital expenditures that are not debt financed or contributed (i.e., capital improvements funded directly from rate revenues).

It is the District's mission to provide a reliable and adequate supply of high-quality water, at the lowest reasonable price, and in an environmentally responsible manner. In pursuit of this mission, the District operates and maintains 55 miles of pipeline, six separate pressure zones, 377 fire hydrants, 725 valves, 93 air valves, 21 blow-offs, five booster pump stations, five pressure reducing stations, one pressure relief station, five reservoirs and three inter-tie connections.

The District receives its water from Whiskeytown Lake which is treated at the Clear Creek CSD ("CCCSD") Filtration Treatment Plant ("Treatment Plant"). As such, the District is responsible for a proportionate share of all costs associated with the operations and maintenance of the Treatment Plant.

Proposed Base Rate Increases

The Board of Directors adopted a preliminary O&M Budget at the Regular meeting on April 16, 2025. An increase in the rates is necessary to cover the costs associated with operating and maintaining the aging water system. Specifically, the inflationary cost increases to energy, fuel, and higher water treatment expenses have contributed significantly to the need for rate adjustments. Also contributing are employee-related costs, as well as increased regulatory fees and liability insurance. As a result, rate adjustments are proposed to the Base Rates for Residential, Commercial, Industrial, and Institutional customers. Please note the Base Rate does not include any water consumption.

The proposed increases are depicted in the tables below:

Base Rate Structure

<u>Meter Size</u>	<u>Current Monthly Rate</u>	<u>Proposed Monthly Rate</u>
5/8"	\$36.00	\$36.50
3/4"	\$36.25	\$36.75
1"	\$36.50	\$37.00
1.5"	\$56.50	\$57.00
2"	\$97.00	\$97.50

Proposed Water Availability Charge (WAC)

The District is proposing to adjust the Water Availability Charge (WAC). This increase is recommended to cover increased expenses associated with the cost for the ongoing operation and maintenance of the District's distribution system.

<u>Current Rate</u>	<u>Proposed Rate</u>
\$36.50	\$37.00

Proposed Rate Increase Protest Procedure

If you intend to protest the proposed rate increases, you must submit a written protest to the District at, or before, the time set for the public hearing. If a written protest is filed by a majority of ratepayers/parcel owners, the proposed rate increases will not be adopted.

A written protest must contain a description of the parcel, or parcels, in which the party signing the protest owns. A current address, or assessor's parcel number, is sufficient to identify the parcel(s). If the party signing the protest is not shown on the last equalized assessment role of Shasta County as the owner of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner of the parcel(s). Only one written protest will be counted per identified parcel.

Proposed Residential Rate Increase

User Comparison

The following indicates how this proposal would affect the average user's **AUGUST** bill:

Low End User - One Month AUGUST Bill - Usage of 3,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¾ Inch):	\$36.25	Base Rate (¾ Inch):	\$36.75
Consumption Rate per 100 cf:	\$ 1.183	Consumption Rate per 100 cf:	\$ 1.183

Base Rate:	\$36.25	Base Rate:	\$36.75
0 – 3,500 cf x \$ 1.183 =	\$41.41	0 – 3,500 cf x \$ 1.183 =	\$41.41
RSF (35 x \$.12) =	\$4.20	RSF (35 x \$.12) =	\$4.20
WTP (35 x \$.08) =	\$2.80	WTP (35 x \$.08) =	\$2.80
Total	<u>\$84.66</u>	Total	<u>\$85.16</u>

Difference = \$.50

Mid-Range User - One Month AUGUST Bill - Usage of 12,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¾ Inch):	\$36.25	Base Rate (¾ Inch):	\$36.75
Consumption Rate per 100 cf:	\$1.183	Consumption Rate per 100 cf:	\$1.183

Base Rate:	\$36.25	Base Rate:	\$36.75
0 – 12,500 cf x \$ 1.183 =	\$147.88	0 – 12,500 cf x \$ 1.183 =	\$147.88
RSF (125 x \$.12) =	\$15.00	RSF (125 x \$.12) =	\$15.00
WTP (125 x \$.08) =	\$10.00	WTP (125 x \$.08) =	\$10.00
Total	<u>\$209.13</u>	Total	<u>\$209.63</u>

Difference = \$.50

High End - One Month AUGUST Bill - Usage of 40,000 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¾ Inch):	\$36.25	Base Rate (¾ Inch):	\$36.75
Consumption Rate per 100 cf:	\$1.183	Consumption Rate per 100 cf:	\$1.183

Base Rate:	\$36.25	Base Rate:	\$36.75
0 – 40,000 cf x \$ 1.183 =	\$473.20	0 – 40,000 cf x \$ 1.183 =	\$473.20
RSF (400 x \$.12) =	\$48.00	RSF (400 x \$.12) =	\$48.00
WTP (400 x \$.08) =	\$32.00	WTP (400 x \$.08) =	\$32.00
Total	<u>\$589.45</u>	Total	<u>\$589.95</u>

Difference = \$.50

Proposed Zone A and A1 Pump Surcharge Fee Increases

Zone A is comprised of approximately 125 customers and Zone A1 is comprised of 28 customers. Both zones are generally located in the Middletown Park and Secluded Valley areas. These pressure zones rely completely upon electrical pumps for their water supply. As a result of higher energy expenses and the need to adequately fund the reserve, adjustments to both Base Rate Surcharges are proposed. Below is a summary of the adjustments:

Zone A & A1 Surcharges

Surcharge Rates

	<u>Current</u>	<u>Proposed</u>
Zone A Base Rate Surcharge:	\$ 11.75	\$ 13.75
Zone A1 Base Rate Surcharge :	\$ 15.50	\$17.50

The following example depicts how these proposed rate increases would impact a Zone A and A1 customers' typical August bill depending on their water usage:

Zone A - Usage of 7,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¾ Inch):	\$36.25	Base Rate (¾ Inch):	\$36.75
Consumption Rate per 100 cf:	\$ 1.183	Consumption Rate per 100 cf:	\$ 1.183
Zone A Base Surcharge:	\$11.75	Zone A Base Surcharge:	\$13.75
Zone A Consumption Surcharge:	\$.312	Zone A Consumption Surcharge:	\$.312

Base Rate:	\$36.25	Base Rate:	\$36.75
0 – 7,500 cf x \$ 1.183 =	\$88.73	0 – 7,500 cf x \$ 1.183 =	\$88.73
Zone A Base Surcharge:	\$11.75	Zone A Base Surcharge:	\$13.75
Zone A Consumption Surcharge:	\$23.40	Zone A Consumption Surcharge:	\$23.40
RSF (75 x \$.12) =	\$9.00	RSF (75 x \$.12) =	\$9.00
WTP (75 x \$.08) =	\$6.00	WTP (75 x \$.08) =	\$6.00
Total	\$175.13	Total	\$177.63

Difference = \$ 2.50

Zone A1 - Usage of 7,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¾ Inch):	\$36.25	Base Rate (¾ Inch):	\$36.75
Consumption Rate per 100 cf:	\$ 1.183	Consumption Rate per 100 cf:	\$ 1.183
Zone A Base Surcharge:	\$15.50	Zone A Base Surcharge:	\$17.50
Zone A Consumption Surcharge:	\$.557	Zone A Consumption Surcharge:	\$.557

Base Rate:	\$36.25	Base Rate:	\$36.75
0 – 7,500 cf x \$ 1.183 =	\$88.73	0 – 7,500 cf x \$ 1.183 =	\$88.73
Zone A Base Surcharge:	\$15.50	Zone A Base Surcharge:	\$17.50
Zone A Consumption Surcharge:	\$41.78	Zone A Consumption Surcharge:	\$41.78
RSF (75 x \$.12) =	\$9.00	RSF (75 x \$.12) =	\$9.00
WTP (75 x \$.08) =	\$6.00	WTP (75 x \$.08) =	\$6.00
Total	\$197.26	Total	\$199.76

Difference = \$ 2.50