



COUNTY OF LAKE
SPECIAL DISTRICTS ADMINISTRATION
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Lakeport, California 95453
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NOTICE OF PUBLIC HEARING REGARDING SEWER RATE INCREASE

Public Hearing Date: September 10, 2024
Public Hearing Time: 9:15 a.m.
Public Hearing Location: Lake County Board of Supervisors Chambers
255 North Forbes Street
Lakeport, CA 95453

WHY ARE YOU RECEIVING THIS NOTICE?

You are receiving this notice because you own property receiving services of the LACOSAN Northwest Regional Sewer System. Pursuant to Article XIII (D) of the California Constitution, the Lake County Sanitation District (LACOSAN or District) is proposing to increase current sewer rates for the Northwest Sewer System. This notice provides you with information regarding the services provided by the District, the reason for the proposed changes in the sewer rates, and the methods by which you can protest the rate increase if you so desire.

The Northwest Sewer System serves the communities of North Lakeport, Upper Lake, Nice, Lucerne, Kono Tayee, and Paradise Valley. The District is dedicated to keeping rates as low as possible but the costs involved in maintaining the sewer system, in implementing necessary improvements to the system, and in responding to regulatory demands have risen. The proposed rate structure 1) will recover costs prudently borne in providing essential services; 2) is equitable and proportionate to all customer classes; and 3) is practical and easy to implement and understand.

COMPLIANCE WITH PROPOSITION 218

In 1996, California voters approved Proposition 218, which amended the state constitution as it relates to the passage of property-related fees. Proposition 218 requires that local governments follow a strictly defined process for setting fees such as water or sewer bills. Generally speaking, in order to increase sewer charges and fees for the Northwest Sewer System, the District must 1) inform ratepayers that a proposed rate increase is being considered 2) clearly demonstrate the basis on which these fees are calculated and 3) hold a public hearing at least 45 days after noticing property owners, at which time the District hears all protests to the rate increase. These rates are subject to "majority protest," meaning they cannot be passed if a majority of property owners submit written, signed, and timely protests opposing the increase as is more particularly described herein.

California Environmental Quality Act (CEQA)

This Ordinance is exempt from the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq., because it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Pub. Resources Code Section 21065; CEQA Guidelines Sections 15378(b)(4), 15061(b)(3)) and because the Ordinance involves the approval of government revenues to fund existing services (Pub. Resources Code Section 21080(b)(8); CEQA Guidelines Section 15273(a)(4).

ACTION

Before taking final action on the proposed ordinance to increase sewer rates as described in this notice, the Board will hold the Public Hearing on September 10, 2024 at 9:15 am to consider the

amount of the proposed rate changes for the next five years and well as the methodology used to calculate the rates. This hearing will be for final public testimony, receiving protests, and taking final action on the proposed rate increase. At the conclusion of the hearing, protests will be counted and validated. The Board of Supervisors may modify the proposed rates, but may not take action to increase the amounts proposed herein without further notice and public hearing(s). The Board may continue the hearing from time to time without further written notice.

BACKGROUND and REASON FOR INCREASE

Although the District strives for cost reductions in operating expenses and improvements on the sewer system assets, it must keep pace with inflation and other cost increases and also maintain the system to meet customer service requirements. LACOSAN has secured outside funding for major capital projects; however, rate adjustments are needed to keep up with operating cost increases and keep the utility in good working condition. The Northwest System is projected to end the year with a slight operating deficit (meaning that revenues are not covering expenses) and a low fund balance. Rate increases are needed to overcome the deficit, keep up with inflationary cost increases, and rebuild reserves.

The District hired an independent rate consultant to review the District's budget and financial information as well as to review how different types of customers use the sewer system and how much they should be charged. This information became the basis for a study that calculated the proposed rates. In addition to meeting the cost of service, the proposed sewer rate adjustments are designed to better reflect the current sewer flows and pollutant loading of customers.

RATE PROPOSAL

Customers are billed bi-monthly (every two months) for sewer service. The proposed rates are the maximum rates the District can implement during the five-year rate plan. The Board may adopt rates less than the rates included in this notice, but not higher. **If adopted, the increases for the sewer service fees will be effective on or after November 15, 2024 and July 1 each year thereafter in the five-year planning period with no additional required action or notice by the District.**

The proposed rates are shown in the table on the following page. The proposed rates are based on a fixed bi-monthly charge and are structured to recover the costs attributed to sewer services proportionately from each customer class. Customers that heavily use the sewer system are proposed to be charged more than customers who flush a small amount of wastewater into the sewers. The rate structure is proposed to remain the same except to add a new category for multi family residential customers who are proposed to be charged a lower rate to reflect lower sewer flows per dwelling unit.

Proposed Bimonthly (Every Two Months) Sewer Rates:

Rate Code	Description	Current FY23-24	PROPOSED BIMONTHLY RATES				
			FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Effective Date			Nov 15, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028
KM	Domestic Strength (including Single Family)	\$68.48	\$80.20	\$88.22	\$90.87	\$93.60	\$96.41
KM (M)	Domestic Strength - Multi Family	\$68.48	\$55.52	\$61.07	\$62.90	\$64.79	\$66.73
KN	Commercial Establishments	\$136.98	\$166.27	\$182.90	\$188.39	\$194.04	\$199.86
DG	Restaurant & Bar; per seat over 33	\$3.78	\$4.75	\$5.23	\$5.39	\$5.55	\$5.72
DH	Hospital & Skilled Care; per bed	\$27.24	\$24.68	\$27.15	\$27.96	\$28.80	\$29.66
DJ	School with Cafeteria; per student	\$2.96	\$3.08	\$3.39	\$3.49	\$3.59	\$3.70
DK	Water Filter Backwash (9,600 gal)	\$158.46	\$134.94	\$148.43	\$152.88	\$157.47	\$162.19
DK1	Water Filter Backwash Overage; per 3,200 gal	\$8.97	\$44.98	\$49.48	\$50.96	\$52.49	\$54.06
KH	Service Station	\$136.98	\$74.03	\$81.43	\$83.87	\$86.39	\$88.98
KI	Fruit Stand	\$17.22	\$9.86	\$10.85	\$11.18	\$11.52	\$11.87
KK	Mobile Home Space	\$68.48	\$55.52	\$61.07	\$62.90	\$64.79	\$66.73
KL	Dump Station	\$45.36	\$196.53	\$216.18	\$222.67	\$229.35	\$236.23
KU/KR	Motel Room, No Kitchen	\$11.66	\$14.79	\$16.27	\$16.76	\$17.26	\$17.78
KQ	Motel Room/Cabin w/Kitchen	\$15.24	\$24.68	\$27.15	\$27.96	\$28.80	\$29.66
KS	Laundry; per machine	\$48.24	\$54.21	\$59.63	\$61.42	\$63.26	\$65.16
LF	Trailer/Campsite, No Hookups	\$6.84	\$4.93	\$5.42	\$5.58	\$5.75	\$5.92
LG	Trailer w/. Hookups	\$13.64	\$12.34	\$13.57	\$13.98	\$14.40	\$14.83
TLTFC	Add Toilets for Commercial Establishments	\$68.48	\$12.34	\$13.57	\$13.98	\$14.40	\$14.83
CD	Other Commercial Establishments	\$136.98	\$492.86	\$542.15	\$558.41	\$575.16	\$592.41

FY – fiscal year

HOW DO I FILE A PROTEST OR PARTICIPATE IN THE PUBLIC HEARING?

The provisions of Proposition 218 provide that certain types of “Property Related Fees” such as sewer rates are subject to a “majority protest” process. Under the majority protest process, any property owner may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel. If protests are filed on behalf of a majority of the parcels subject to the rates, the District cannot adopt the proposed rates. If a majority of the parcels do not protest the proposed increase before the end of the Public Hearing, the Board has the authority to adopt the sewer rates. The first rate change, if enacted, will go into effect on or after November 15, 2024.

Every written protest MUST include ALL of the following to be counted:

- 1. A statement against the proposed sewer rates;**
- 2. Name of the recorded owner who is submitting the protest;**
- 3. Identification of assessor’s parcel number or street address of the parcel with respect to which the protest is made; and an**
- 4. Original signature and legibly printed name of the record owner who is submitting the protest.**

Written protests may be submitted by:

1. Mail to the Clerk of the Board of Supervisors, 255 North Forbes St, Lakeport, CA 95453; or
2. In-person delivery during normal business hours to the same address; or
3. In-person at the Public Hearing, prior to the conclusion of the Public Hearing.

Regardless of how the written protest is submitted, it must be received by the Clerk prior to the conclusion of the public comment portion of the Public Hearing on September 10, 2024. (Postmark dates will not be accepted.) Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the Clerk, that the enclosed protest is for the Public Hearing on Northwest Sewer Rate Increases. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Only submit written documentation if you are PROTESTING the rate structure. Additionally, pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee, adopted, modified, or amended after January 1, 2022.

For additional information about the proposed sewer rate increase contact Robin Borre, Administrator at the Special Districts office located at 230 North Main St. Lakeport, CA 95453, or call (707) 263-0119. Documents relevant to the sewer rate increase may be reviewed at the office in Lakeport during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

Para obtener información en español sobre los aumentos de tarifas propuestos, llame a nuestra oficina.