



**COUNTY OF LAKE**  
**SPECIAL DISTRICTS ADMINISTRATION**  
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## **NOTICE OF PUBLIC HEARING REGARDING SEWER RATES AND FEES**

Public Hearing Date: Tuesday, July 25, 2017  
Public Hearing Time: 9:30 a.m.  
Public Hearing Location: Lake County Board of Supervisors Chambers  
255 North Forbes Street  
Lakeport, CA 95453

### **WHY ARE YOU RECEIVING THIS NOTICE?**

This notice serves as the Anderson Springs Sewer System notice of public hearing regarding a proposed rate structure for sewer charges and fees. This notice explains the proposed sewer service rate structure for the new sewer system that will serve the Anderson Springs community. This notice also provides information on the reason for the proposed rates and fees as well as information regarding the public hearing and the written protest requirements.

### **COMPLIANCE WITH PROPOSITION 218**

In 1996, California voters adopted Proposition 218. Among other things, Proposition 218 requires a specific process for local government to impose or increase certain types of fees. The provisions of Proposition 218, set forth in Article XIII D of the California Constitution provide that certain types of property related fees are subject to a "majority protest" process. The Anderson Springs Sewer System charges and fees are property related fees and this process is required to implement these fees.

### **CONNECTIONS**

The new septic to sewer project is being funded by grants from State Water Resources Control Board, a Community Development Block Grant and the United States Department of Agriculture. The project includes 100 service connections to meet the urgent needs of those homes being rebuilt after the Valley Fire. The initial 100 connections will include the installation of a wet well and grinder pump, and the Capacity Expansion Fees paid to Middletown Treatment Plant.

The project will include construction of a lateral to the property line of all parcels within Anderson Springs. Homes being built after the project is complete will be required to connect to the sewer system. Future connections, (those homes not included in the initial 100) will be required to pay the Middletown Sewer Treatment Plant Capacity Expansion Fees that are in place at the time of connection. All new connections that will be sending waste to the Middletown Treatment Plant are required to pay this fee. Currently, the fee is \$6,885.41 per Single Family Dwelling Equivalent (SFD). In addition to the Capacity Expansion Fee, future connections will bear the cost of installing the wet well and grinder pump. Once connected to the sewer system, the rates and fees will be charged.

Undeveloped parcels will not be charged anything for this sewer system until such time as a building permit on a new structure has been finalized.

### **RATE PROPOSAL**

The proposed sewer rate of \$51.83 per month includes two components. A Base Rate and a Capital Improvement Program (CIP) fee. The base rate is proposed to be \$37.38 per month and will include all costs associated with operation and maintenance of the system. The CIP fee is proposed to be \$14.45 per month and will be collected and placed in Capital Improvement Reserves to be used to replace equipment such as the grinder pumps or to perform any needed major repairs on the collection system.



- Name of Fee: These fees will appear on the bi-monthly sewer bill as "Base Rate" and "CIP".
- Proposed Fee: Base Rate - \$37.38 per month. CIP - \$14.45 per month.
- Reason for Fee: To provide sufficient funds for operation, maintenance and upgrades to the system.
- Calculation of Fee: The monthly fee was calculated to provide sufficient revenues to operate, maintain & repair the system and allocate the revenue requirements to all customers in the most equitable manner possible

It is anticipated that there will be 100 customers when the project is complete. Approximately 50 new homes are expected to be built each year in the subsequent two years.

#### **BASIS ON WHICH FEE IS CALCULATED**

The basis for the charges and fees is to provide adequate funding for the general operation and maintenance of the sewer system, develop a revenue stream to fund capital improvements and major repairs. Anderson Springs is in a remote location and there will be few customers to share the costs of operations and maintenance of the system. All dwellings connected to the system will be charged the monthly base rate and capital improvement fee regardless of vacancies or vacation home or temporary occupancy.

The base rate will include all costs associated with operations and maintenance. This fee includes but is not limited to: vehicles, fuel, tools and certified staff to perform on-site inspections and maintenance; administrative staff, customer service and billing staff, standby staff; Workers Comp, Liability and Vehicle Insurance; communication equipment, billing system and equipment, office supplies and legal fees. The base rate also includes the treatment costs at the Middletown Sewer Treatment Plant. Included in these costs are lab fees, chlorine and chemical costs, certified staff and associated costs; state permits, fees, monitoring and reporting; utility costs and routine maintenance and operations of the facility.

To offset future maintenance costs and inflation, we are proposing to include an annual rate adjustment factor based on the U.S. City Average Consumer Price Index as published by the U.S. Department of Labor. If the Consumer Price Index is zero or negative, there will not be a change to the rates that year.

#### **ACTION**

Before taking final action on the proposed ordinance to implement sewer charges and fees as shown in the table above, the Board of Directors of Lake County Sanitation District will hold a public hearing in the Lake County Board of Supervisors Chambers, 255 North Forbes St., Lakeport, at 9:30 am on Tuesday, July 25, 2017. This hearing will be for final public testimony, hearing protests, tabulation of any protests submitted, and taking final action on the charges and fees increase. The Board of Directors may modify the proposed charges and fees, 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.

#### **PROTEST PROCEDURE**

Any **property owner** within the identified Anderson Springs sewer district boundary may file with the Clerk of the Board of Supervisors, at or before the end of the public hearing, a written protest against the proposed charges and fees. Each property owner is allowed one (1) vote of protest per parcel. The protest **must** identify the property, the property owner, the reason or reasons for the protest, and be signed by the owner of the property. Each property is allowed one vote of protest. The written protests may be hand delivered or mailed to the **Clerk of the Board of Directors at 255 North Forbes St., Lakeport, CA 95453.** All votes received by the Clerk will be considered strictly confidential and the confidentiality will be protected to every extent possible. To be counted, the Clerk of the Board of Supervisors must receive a **written** protest no later than the end of the public hearing specified above. A majority protest exists if, upon the end of the public hearing, there are valid written protests submitted by owners of a majority of the properties subject to the proposed charges and fees increase. A majority protest will result in the charges and fees not being implemented.

Only submit written documentation if you are **PROTESTING** the rate structure and construction of the sewer system.

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