

May 13, 2022 **Notice of Public Hearing on Proposed Water Rate Increase**

Date: June 28, 2022

Time: 6:00 PM Location: Alleghany Firehouse, 105 Plaza Court

The Alleghany County Water District (ACWD) Board of Directors wishes to notify you of a Public Hearing to be held on June 28, 2022 at 6:00 p.m. at the Alleghany Firehouse 105 Plaza Court to discuss proposed water service rate increases that, if approved, will commence on July 1, 2022 (with the August 1, 2022 billing).

Background and Reasons for Proposed Increase

- Water rates have not been raised in over 5 years. During this time operating expenses have increased while the number of active accounts has decreased from 57 to 53.
- The four closed accounts represent \$1,920.00 less in district income per year.
- Inflation is on the rise, and ACWD expects most operating expenses to continue to increase. This rate change is needed for long-term financial stability and to cover short-term expenses.
- For the fiscal year ending 6/30/2021 (most recently audited year) the district showed a loss and was not able to transfer money into the equipment repair and maintenance fund as planned (a transfer from the contingency fund was used to keep up with the savings goal).
- The district is taking a proactive approach to financial planning, to hopefully avoid a situation like 2016 when there was no money set-aside for emergencies, equipment repair & replacement or budget shortfalls.
- The State Department of Finance (DFA) has invested over 1.5 million dollars into ACWD since 2015. An application for a project with a budget of \$850,000 is currently being considered by the State. The state cannot continue to invest money into ACWD's infrastructure without assurance that the district is able to properly maintain the equipment being funded.
- The rates as proposed in this notice are not sufficient to cover the long-term replacement of existing equipment as required by law. (Commonly referred to as depreciation expense or capital replacement.) An exception is made by the State for financially "Severely Disadvantaged Communities" due to affordability concerns.
- This proposal includes an annual increase of .75 cents per year on the flat rate only, over a period of 3 years after the initial increase. The board is hopeful that this will be sufficient to offset inflation.
- Please review the Fiscal Year 2022-2023 Preliminary Budget docs found at the 5/10/2022 board meeting date on the district website for more information about why this rate change is needed. <https://www.alleghanywater.org/2022-05-10-board-meeting>
- If you have specific questions or to request a hard copy of the budget please email alleghanywater@gmail.com or leave a message at 530-287-3204.



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New Rate Proposal:

Monthly flat rate per service \$44.00 includes up to 8,000 gallons of water.

Usage over 8,000 gallons to be billed at \$4.00 per thousand gallons (.004 per gallon).

The above rates would go into effect on 7/1/2022 and be reflected on the August 1st billing.

Effective 7/1/23 flat rate increases by .75 to \$44.75 (no change to gallons or overage fees)

Effective 7/1/24 flat rate increases by .75 to \$45.50 (no change to gallons or overage fees)

Effective 7/1/25 flat rate increases by .75 to \$46.25 (no change to gallons or overage fees)

Water bill assistance available to customers

Please be aware that Alleghany County Water District (ACWD) does offer payment plans if you get behind on your water bill.

Additionally, the State is rolling out the Low-Income Household Water Assistance Program (LIHWAP), administered through the California Department of Community Services and Development (CSD), and is scheduled to begin this month. ACWD has applied to participate in this program. For more information on LIHWAP and to learn more about the eligibility requirements, visit their website at:

www.csd.ca.gov/waterbill.

Sierra County Social Services may have resources for utility bill assistance as well.

How to Protest the Proposed New Rates

The Board will accept public comments at the Public Hearing. Written protests may be submitted before or at this Public Hearing. Written Protests may be:

1. **Mailed** to Alleghany County Water District P.O. Box 860, Alleghany, California 95910; or
2. **Personally submitted** at the Board meeting at 105 Plaza Court, Alleghany, California, prior to the close of the Public Hearing

Protests submitted by fax or email will not be accepted.

To be valid, protests must be in writing, state opposition to the proposed rate increase, and include the property owner's or customer's printed name and address, as well as the parcel number or address of the property served. Protests must be signed by the property owner or by the customer directly responsible for payment of the fees subject to the proposed increase. If the party signing the protest is not shown as the parcel owner as per the last equalized assessment roll of Sierra County, or, in ACWD's records as the responsible ratepayer, the protest must contain, or be accompanied by, written evidence that such party is the owner or responsible ratepayer. Only one protest will be counted per customer account.

While oral comments at the public hearing are welcome, those comments will not qualify as a valid written protest.

If, at the close of the public hearing, written protests against the proposed rate adjustment are not submitted by a majority (50% + 1) of the customers of record within the District, the Board of Directors will be authorized to adopt these rates per Resolution #116 as passed on 5/10/2022.