

PUBLIC HEARING
In Compliance with Proposition 218

**EAST QUINCY SERVICES DISTRICT BOARD OF DIRECTORS
TO BE HELD AT EAST QUINCY SERVICES DISTRICT OFFICE**

AT 179 ROGERS AVE, QUINCY CA.

ON TUESDAY APRIL 18, 2016 AT 6:30 P.M.

AGENDA

- 1. CHAIRMAN TO OPEN THE PUBLIC HEARING.**
- 2. PUBLIC COMMENT** other than an Agenda item. Any person may address the Board at this time on any matter within the jurisdiction of the Board. The Chairman requests a five (5) minute limit for each person addressing the Board.
- 3. PRESENT ORDINANCE 9, EXHIBIT "A" & EXHIBIT "B"**-Present to the public the water and sewer rates for fiscal year 2017-2018, to be effective 7/1/17. The board will be asked to adopt the new waste water rates for 2017-2018. *Action Item*
- 4. PUBLIC QUESTIONS AND COMMENT**
- 5. CLOSED PUBLIC HEARING** *Action Item*
- 6. ADJOURNMENT**

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need disability-related modifications or accommodation to participate in this meeting, and then please contact Shawneen Howe, District Secretary at (530) 283-2390. Requests must be made as early as possible, and at least one-full business day before the start of the meeting.

Posted 04/14/2017

**East Quincy Community Services District
Proposed Wastewater Rates (FY 17-18 through FY 21-22)**

User Class	Existing FY 16-17	Proposed FY 17-18	Proposed FY 18-19	Proposed FY 19-20	Proposed FY 20-21	Proposed FY 21-22
RESIDENTIAL RATES (\$/mo.)						
Single-Family Collection	\$27.92	\$28.48	\$29.05	\$29.63	\$30.22	\$30.83
Single-Family Treatment	\$27.57	\$30.88	\$34.89	\$40.13	\$45.74	\$51.69
Total Single-Family Rate	\$55.49	\$59.36	\$63.94	\$69.76	\$75.96	\$82.52
Overall % Rate Increase		7.0%	7.7%	9.1%	8.9%	8.6%
Multi-Family Total (Per Unit)	\$43.57	\$46.61	\$50.21	\$54.77	\$59.65	\$64.79
NON-RESIDENTIAL RATES						
Small Commercial	\$28.18	\$30.14	\$32.47	\$35.42	\$38.58	\$41.91
Large Commercial	\$55.49	\$59.36	\$63.94	\$69.76	\$75.97	\$82.52
SEWER STANDBY CHARGE	\$28.57	\$30.56	\$32.92	\$35.91	\$39.11	\$42.49

ORDINANCE 9
AN ORDINANCE OF THE EAST QUINCY SERVICES DISTRICT
AMENDING WATER AND SEWER SYSTEM SERVICE CHARGES

WHEREAS, the Board of Directors of the East Quincy Services District is required to acquire, construct, improve, maintain and finance works to its water supply and wastewater collection systems; and

WHEREAS, the public convenience and necessity require that the Board fix rates and charges for water supply and sewage collection services; and

WHEREAS, A Water and Sewer Revenue Program, dated April 18, 2017, has been completed, which program analyzed user characteristics, water supply and sewer flows, systems' needs, the prospective water and sewer enterprises' budgets, and prospective equitable systems' charge and rate structures to support the enterprises' short and long term fiscal needs; and

WHEREAS, the Board of Directors of the East Quincy Services District has made its annual review of the revenue program and has determined that a rate increase is needed to maintain the enterprises short and long term goals; and

WHEREAS, the Board finds the Water and Sewer Revenue Program analyses to be comprehensive, equitable and adequate to support the fiscal and financial needs of the water and sewer enterprises in maintaining, operating, replacing and expanding the respective systems as needed for the health, safety and general welfare of systems' users; and

WHEREAS, the District Manager caused a Notice of Hearing to be published, setting forth the proposed schedules of rates and charges twice in the Feather River Bulletin in the April 26, 2017 and May 3, 2017 issue; and

WHEREAS, the Board of directors has reviewed the Water and Sewer Revenue Program and related documents and has held a Public Hearing on the matter; to receive testimony concerning the proposed water and sewer service charges;

NOW, THEREFORE, BE IT RESOLVED that the East Quincy Services District hereby establishes schedules of water and sewer service charges for the various classes of users and their average water consumption and sewage flows, which schedules are embodied in Exhibit "A" Schedule of Water Supply System Charges, and Exhibit "B" Schedule of Sewer System Charges, which are attached hereto and made a part hereof; and

BE IT FURTHER RESOLVED that the establishment of the Water Supply System Charges and Sewer System Charges shall become effective on July 1, 2017, and shall remain in effect until superseded, modified or repealed; and

BE IT FURTHER RESOLVED that the Board of directors shall review the districts water and sewer rates and charges each year at least thirty (30) days prior to the end of the fiscal year. The Board shall adjust all rates and charges as appropriate to ensure enterprise solvency and compliance with outstanding contractual obligations related to services; and

BE IT FURTHER RESOLVED that this Ordinance shall supersede all former Resolutions pertaining to the same subjects.

PASSED AND ADOPTED by the Board of Directors of the East Quincy Service District this _____, by the following vote:

Ayes: Directors

Noes: Directors

Absent: Directors

ATTEST:

Kathy Felker
Chairman of the Board of Directors
Of the East Quincy Services District

Shawneen Howe
District Secretary

EXHIBIT "A"
EAST QUINCY SERVICES DISTRICT
SCHEDULE OF WATER SUPPLY SYSTEM CHARGES
ADOPTED

A. Water Supply Charges (Sum of Customer Meter Charge, Base Use Charge, and Volumetric Charge)

1. Customer Meter Charge per month:	
<u>Size of Meter</u>	<u>Meter Charge</u>
5/8"	\$14.97
3/4"	16.47
1"	20.87
1 1/2"	26.87
2"	43.29
3"	164.02
4"	208.74
Hydrant	13.60
2. Base Use Charge per month:	
<u>User Classification</u>	<u>Base Use Charge</u>
Single Family Residential(R)	\$11.49 for 6000 gallons per month or portion thereof.
Multi-family Residential MR	\$ 9.57 for 5000 gallons per unit per month or portion thereof.
Small Commercial (C1)	\$ 5.74 (maximum 3000 gallons per month).
Large Commercial (C2) and Extraordinary Flow (X)	\$11.49 for 6000 gallons per month or portion thereof.
3. Volumetric Charge:	
For each 1000 gallons per month, or portion thereof, over the Base Use Charge gallons	\$1.92
4. Quincy Community Services District Volumetric Charge	
Per 1,000 gallons	\$ 2.03
5. Water Standby Availability Charge:	
Per parcel per month.	\$13.60
6. Hydrant Meter Rental Charge	
\$1,000 refundable deposit and volumetric charge of \$2.03 per 1,000 gallons	\$164.02

B. Connection-related Charges

1. Main Tapping Fee:	\$120.00
2. Lateral Construction Installation Fee:	\$2,500.00 deposit minimum
3. Service Turn-on or Turn-off Charge:	\$15.00
4. Meter Test Charge:	
5/8" to 1" meter	\$75.00
Greater than 1" meter	\$100.00
5. New meter install charge: All new meters will be installed at the current replacement value.	
6. Water system Facility Fee	per separate Ordinance/Resolution.

Administrative Charges

1. Establishment of Credit Charge: 3 times the base rate for owners only*
2. Reestablishment of Credit Charge: 2 times the base rate*
3. Engineering Design/Plan Check Charge: actual cost
4. System Construction/Inspection Fee: 4% of Engineer's construction cost estimate.
\$50.00
5. Reconnection fee
6. Application Fee \$50.00
7. Backflow checking fee \$25.00

***Base Rate**-the base rate is computed by adding the meter charge, base use charge and the sewer flat rate charge applicable to the property in question.

EXHIBIT "B"

EAST QUINCY SERVICES DISTRICT
SCHEDULE OF SEWER SYSTEM CHARGES
ADOPTED

A. Sewer Service Charge per month:

<u>User Classification</u>	<u>Service Charge</u>
Single Family Residential (R)	\$59.36 per each
Multi-family Residential (MR)	\$46.61 per dwelling unit
Small Commercial (C1), less than 3000 gallons per month, based on average monthly non-irrigation water consumption for the prior year.	\$30.14 per connection
Large Commercial (C2) and Extraordinary Flow(X), more than 6000 gallons per month, based on average winter(non-irrigation) month water consumption for the prior year.	\$59.36 per DUE
Sewer Standby Availability Charge: Per DUE per month	\$30.56 per DUE

Note: DUE charges shall be computed to the next highest 0.1 DUE, where a DUE is 21 drainage fixture units.

B. Connection-related Charges:

1. Sewer System Facility Fee (Capacity Charge) for each new Dwelling Unit Equivalent (DUE) over the number of DUE's previously assessed, for parcels included in the 1993 Community Sewage Collection Project Assessment District and for each new DUE located outside the boundaries of the 1993 Community Sewage Collection project Assessment District - per separate Ordinance/Resolution.
2. Account Establishment and Lateral Inspection Fee \$125.00
3. Plugging Sewer Charge \$75.00
4. Lateral construction \$2,500 minimum deposit
5. Sewer main tapping Fee \$120.00

C. Administrative Charges:

1. Engineering Design/Plan Check Charge actual cost
2. System Construction/Inspection Fee 4% of Engineer's construction cost estimate.
3. Assessment Reapportionment Fee \$275 per new parcel.
4. Reconnection fee \$50.00
5. Establishment of Credit Charge: 3 times the base rate for owners only*
6. Reestablishment of Credit Charge: 2 times the base rate*

*Base Rate-the base rate is sewer flat rate applicable to the property in question.

The Board of Directors of the East Quincy Services District will hold a **Protest Hearing on June 13, 2017, at 6:00p.m.** at the District offices located at 179 Rogers Ave., East Quincy, California. The purpose of this public hearing is to present the rates for water and sewer charges for 2017-2018, and adoption of the Schedules of Water Supply System Charges and Sewer System Charges, which are necessary to fund District operations. The Schedule of Water Supply System Charges is based upon the metered water consumption for the various classifications of water consumers. The Schedule of Sewer System Charges is based upon the sewer treatment costs charged by Quincy Community Services District and average non-irrigation water consumption for the various classes of wastewater system user.

The monthly charges will be as follows. They are all based on a ¾" meter size.

Monthly Water System Base Use Charges with 0% increase

<u>User Classification</u>	<u>as of 7/1/17</u>
Single Family Residence	\$27.96 (6,000 gal.)
Multi-family Residence Unit (4 unit example)	\$54.75 (20,000 gal)
Small Commercial Unit	\$22.21 (3,000 gal.)
Large Commercial Unit	\$27.96 (6,000 gal.)
All classes -- per 1000 gal, For water over the base use amount	\$ 1.92
Quincy CSD volumetric charge Per 1,000 gallons	\$2.03
Stand By Availability Charge	\$13.60 per month
Hydrant Meter Rental Charge	\$164.02

Monthly Sewer System Charges with 7% increase

<u>User Classification</u>	<u>as of 7/1/17</u>
Single Family Residence	\$ 59.36
Multi-family Residence Unit (4 unit example)	\$186.44
Small Commercial Unit	\$ 30.14
Large Commercial Unit	\$ 59.36
Sewer Standby Availability Charge Per DUE per month	\$30.56

All interested persons are invited to be present and to be heard at said hearing. Anyone who seeks to challenge the decisions of the Board of Directors in court with respect to these matters may be limited to raising only those issues raised at the public hearing described in the notice, or in written correspondence delivered to the District at, or prior to the public hearing.

A copy of the Water and Sewer Revenue Program and the proposed Charge Schedules are available for inspection at the District office at 179 Rogers Street, East Quincy, during normal business hours. If you have any questions, please contact the District Engineer, Daniel B. Bastian at (530)-836-2644.

Dated: April 18, 2017

Shawneen Howe, District Secretary

Publish: Feather River Bulletin, April 26 and May 3, 2017

Prop. 218 Notice

5-year Proposed Wastewater Rates and Charges

The Board of Directors of the East Quincy Services District (EQSD) will hold a **Public Hearing on June 13 at 6:00pm** at the District office located at 179 Rogers Ave., East Quincy, California. The purpose of this public hearing is to present the proposed rates for sewer charges for Fiscal Years 2017-2018, 2018-2019, 2019-2020, 2020-2021, and 2021-2022 and adoption of the Schedule of Sewer System Charges, which is necessary to fund District operations. Sewer System Charges are based upon the sewer collection and treatment costs.

Proposed New Wastewater Rates Based on New Effluent Limits

EQSD sewage is treated at Quincy Community Services District's (QCSD) wastewater treatment plant. In 2010 The State Regional Water Quality Control Board imposed new effluent limits for Quincy Community Services District's National Pollution Discharge Elimination System (NPDES) permit. QCSD's new permit, adopted on June 24, 2016, imposed even more strict limits for lead, copper and ammonia. In order to comply with the new limits, improvements must be made to the wastewater treatment facility.

Due to the fact that the facility treats wastewater from both QCSD and EQSD, the Districts participated in a joint engineering study obtained from PACE Engineering to determine the most economical way to bring the plant into compliance.

PACE Engineering provided several different options to comply with the increased limits imposed by the State including land application, a new treatment plant, EQSD building our own plant and various upgrades to the existing plant. A copy of the Engineer's Report is available at the District office.

Both EQSD and QCSD agreed to upgrade and improve the existing plant using the AeroMod Sequential Oxidation (SEUOX) Activated Sludge process. This was also the option recommended by PACE engineers. The estimated cost for the project is \$25,700,000. Jointly, EQSD and QCSD will be applying for two loans based on that estimated cost.

Please note that the rates presented in the following table are based on QCSD receiving \$8,500,000 in grant monies. These funds are never guaranteed however the engineers are confident that they will receive those funds. Both Districts are also applying for additional grant money to try to complete this project. If the grant money is NOT received, the EQSD Board of Directors will have to re-evaluate the project costs with QCSD and PACE engineers.

Proposed Fee Changes

The table on page 2 of this notice shows the proposed wastewater rate increases for collection and treatment costs for the next 5 years and are subject to review as necessary, at which time the District shall give notice to ratepayers.

(This notice consists of page 1 - as indicated, page 2- the proposed wastewater fee increases, page 3- project financing information, and page 4- the protest ballot.)

Table 2 – Proposed WWTP Project Financing

NO. EXISTING EDUs: QCSD: 1,380 EQSD: <u>1,407</u> Total Existing EDUs: 2,787		\$26,000,000	
TOTAL ESTIMATED PROJECT COST			
	USDA	CWSRF	
FUNDING SPLIT BETWEEN SOURCES	54.0%	46.0%	
FUNDING SPLIT AMOUNT	\$14,040,000	\$11,960,000	
Additional Funding Application	\$10,000	\$20,000	
Interim Financing during Construction	\$0	\$57,500	
Funding Administration	\$0	\$20,000	
TOTAL ESTIMATE PROJECT COST SPLIT:	\$14,050,000	\$12,057,500	
GRANT AND DISTRICT CONTRIBUTIONS			
CWSRF Planning Grant Contribution:	\$0	\$500,000	
Hopeful Grant Allocations:	\$3,000,000	\$5,500,000	
District Contribution:	\$972,000	\$828,000	
NET FINANCED AMOUNT:	\$10,078,000	\$5,229,500	
Additional Annual O&M Cost	\$86,400	\$73,600	
FINANCING TERMS			
Loan Term	40	30	
Interest Rate	2.75%	1.6%	
DEBT SERVICE & SHORT-LIVED ASSETS			
Annual Debt Service	\$418,555	\$220,851	
Annual Debt Service Reserve @ 10%	<u>\$41,855</u>	<u>\$0</u>	
TOTAL ANNUAL DEBT SERVICE OBLIGATION	\$460,410	\$220,851	
Annual Short-Lived Asset Reserve Allocation	\$43,425	\$36,992	
Total Annual Financing Obligation	\$590,235	\$331,443	
Combined Annual Financing Obligation	\$921,679		
MONTHLY FINANCING OBLIGATION (\$/EDU):		\$27.56	

Table 1 – Recommended Monthly Wastewater Rates

User Class	Existing FY 16-17	Proposed FY 17-18	Proposed FY 18-19	Proposed FY 19-20	Proposed FY 20-21	Proposed FY 21-22
RESIDENTIAL RATES (\$/mo.)						
Single-Family Collection	\$27.92	\$28.48	\$29.05	\$29.63	\$30.22	\$30.83
Single-Family Treatment	\$27.57	\$30.88	\$34.89	\$40.13	\$45.74	\$51.69
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SEWER STANDBY CHARGE	\$28.57	\$30.56	\$32.92	\$35.91	\$39.11	\$42.49

You Can Protest the Proposed Rate Increase

You can use the form in this notice to register your protest against the proposed wastewater rate increase. You can also choose to write a letter to the District, following the requirements below, or appear at the public hearing listed on the front cover of this notice to submit your WRITTEN protest.

How Can I Protest?

Rate payers may comment on the proposed rates. California Constitution Article XIII D section 6 (Proposition 218) prohibits the District from implementing new rates if a majority of the affected property owner file written protests opposing the rates before the end of the public hearing. A majority protest, as defined in Article XIII D, Section 6, would result in no rate increase for collection or wastewater treatment plant upgrades.

Only one written protest per affected PROPERTY will be counted towards the majority protest. Written protests must be received by the Board Secretary, 179 Rogers Avenue, Quincy, CA 95971, before the end of the public hearing which is scheduled for 6:00pm June 13, 2017. All protests will be tabulated at that time.

Each protest must identify the affected property (by street address or Assessor's Parcel Number) and include the signature of the property owner. In compliance with Proposition 218, e-mail protests will not be accepted. Fax protests will also not be accepted. Oral comments at the public hearing will not qualify as formal protests (unless accompanied by a written protest), but the Board of Directors welcomes input from the community during the public hearing.

Some customers will receive multiple notices. In order to ensure that all customers are informed about possible wastewater rate increases, these Notices are being sent to all EQSD customers. If you are responsible for more than one bill, you will receive more than one Notice.

USE THIS FORM TO PROTEST THE PROPOSED WASTEWATER RATE INCREASE

I, _____, protest this proposed increase to wastewater rates.

Name

Property Address or Assessor's Parcel Number:

Property Address: _____

OR

APN: _____

Signature: _____

If you wish to use this form as you protest, please fill out and return in the enclosed self-addressed envelope.

This material is available in alternative formats upon request to accommodate persons with disabilities or non-English speakers. To order information in an alternative format, please call the District office on or before May 25, 2017 at (530) 283-2390.