

**NOTICE OF PUBLIC HEARING
ON PROPOSED SEWER SYSTEM RATES FOR
SALTON COMMUNITY SERVICES DISTRICT**

**Public Hearing, May 17th, 2023, at 2 PM or as soon thereafter as the matter may be heard
at the Salton CSD Office 1209 Van Buren Ave, Suite 1, Salton City, CA 92274**

WHY ARE YOU RECEIVING THIS NOTICE?

This notice is being furnished to you by the Salton Community Services District (“SCSD”) pursuant to the California Constitution Article XIII Section D (also known as “Proposition 218”). Under the terms of Proposition 218, the District is required to notify property owners of proposed changes to property-related fees such as sewer services. This letter serves as notice that the SCSD will hold a public hearing to consider increases to its current wastewater/sewer rates (“Rates”) and that you have the right to protest the increases as detailed below.

WHAT DO SEWER RATES FUND?

Sewer treatment rates are based on water consumption using engineering factors for conversion into equivalent dwelling units (EDU(s)). The SCSD provides wastewater/sewer services (“Services”) to about 3,018 EDUs and including approximately 59 commercial accounts. These services must be financially self-sufficient.

Annual rates paid by users of the sewer and wastewater treatment system (“System”) are the SCSD’s primary sources of revenue. All revenue generated from Rates is used to maintain and operate the System and not any other SCSD operation. These revenues must meet all the costs of providing the Services including, but not limited to, electricity, chemicals, maintenance, licensing, fees, salaries of staff, professional fees, repairs, replacements, administrative costs and build up reserves for emergency repairs and future replacement of the System when it is time to be replaced.

WHY ARE RATE CHANGES REQUIRED?

A complete budget review and analysis of the Rates was performed by an independent consultant. This rate study was funded by a grant from the State of California. This analysis examined the cost to provide the Services with the objective of striking a better balance between operating and non-operating revenues while continuing to promote a fair and equitable rate structure for all customers. Rates need to be adequate to recover SCSD’s expenses for providing the Services while ensuring that costs are equitably allocated so that Rates are fair and in proportion to the Services received by each user.

The SCSD also recently completed an analysis of the capital replacement requirements for the System. All the capital assets of the System were reviewed, and an estimated replacement timeframe and cost were assigned. These replacements will be funded in part with the proposed rate increases and may also be funded based on grants and other funding sources.

The last rate increase for Services by the SCSD was adopted in 2016 with periodic cost of living increases the last of which was made effective by SCSD in fiscal year 2020-2021. Despite these increases the System operating costs and reserves are not adequately funded at this time.

HOW ARE RATES CALCULATED?

SCSD uses one annual base rate of \$640.74 for all residential customers, regardless of wastewater connection size. Commercial connections are charged the greater of \$7.70 per hundred cubic feet (“ccf”) of water usage or the residential rate of \$640.74. The two Schools connected to SCSD are charged per student at a rate of \$15.53 for SC Elementary School and \$46.53 per student for SC High School. As shown on the table below, the District’s wastewater enterprise’s primary source of revenues consists of annual wastewater base fees and flow charges.

Current Base Rates

Type of Dwelling	No. of Equivalent Dwelling Units	Annual Rate Per EDU
Single Family Residential	1,823	\$640.74
Multi-Family Residential	132	\$640.74
Salton City Elementary School (Per Student)	589	\$15.53
Salton City High School (Per Student)	474	\$46.53
Total Base Rate EDUs	3,018	N/A

RECOMMENDED RATES

The rate increase recommendation for the Service follows the same rate structure that is currently employed by SCSD. The table below identifies the class, current Rates, and the recommended adjusted Rate. The recommended Rate for all active residential customer connections increases from \$640.74 to \$838.41 annually. Commercial flow Rates are increased from \$7.70 per 100 cubic feet to \$10.08 per 100 cubic feet. Rates for the two schools identified and connected with SCSD wastewater service will continue to charge per student at an increased rate of \$20.32 for the elementary school and \$60.88 for the high school. An annual 4 percent increase to Rates after the first year will be necessary to offset the impact of inflation. If adopted, the Rate increase will be effective July 1, 2023, and are charged on the property tax bill.

Recommended Rate Adjustments

Type	No. of Units	EDUs	Current Annual Rate	Adjustment	Adjusted Rate per EDU
Single Family Residential	1,823	1,823	\$640.74	\$197.67	\$838.41
Multi-Family Residential	132	132	\$640.74	\$197.67	\$838.41
Salton City Elementary School (Per Student)	589	589	\$15.53	\$4.79	\$20.32
Salton City High School (Per Student)	474	474	\$46.53	\$14.35	\$60.88

Commercial Commodity Charge

Location	Rate Per ccf	Adjustment	Adjusted Rate per ccf
Salton City Commercial	\$7.70	\$2.38	\$10.08
Desert Shores Commercial	\$7.70	\$2.38	\$10.08

Sewer rates will increase over a five-year period as well.

Adjusted Rate 5 Year Rate Schedule

Rate Type	Year 1	Year 2	Year 3	Year 4	Year 5
Base Rate	\$838.41	\$871.95	\$906.82	\$943.10	\$980.82
Usage Rate	\$10.08	\$10.48	\$10.90	\$11.34	\$11.79
Elementary School	\$20.32	\$21.13	\$21.98	\$22.86	\$23.77
High School	\$60.88	\$63.32	\$65.85	\$68.49	\$71.23

PUBLIC HEARING & PROTEST

The purpose of the public hearing is for the SCSD Board to consider all comments and protests about the rate increases to be imposed. As the record owner of a parcel identified to be subject to the imposition of the proposed rate increases or any tenant directly responsible for the payment of wastewater rate, you may submit a **written** protest against the proposed rate increases. There is a protest form included with this notice that allows you to protest the proposed Rate increase. Any person interested in protesting the Rate increase must check the box indicating that you wish to protest the Rate increase, print and sign your name on the enclosed protest form and mail or hand deliver in person on May 17th 2023 at the public hearing. Provided, however, **if the identified parcel has more than one record-owner or tenant, only one written protest will be counted.** Protests submitted by e-mail, fax, or other electronic means will **not** be accepted.

Protest forms must be submitted by mail to SCSD, 1209 Van Buren Ave, Suite 1 Salton City, CA 92274, or in person at the public hearing on **May 17th**, so long as they are received prior to the close of the public hearing. SCSD staff will **not** accept protest forms delivered in person at the office as they all must be mailed to the address above or delivered in person on May 17th 2023 at the public hearing.

During the May 17th 2023 public hearing the written protests will be tallied by an impartial person. At the conclusion of the public hearing on May 17th 2023, the SCSD Board of Directors will consider adopting the proposed rate changes. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest and delivered as stated above. If, at the close of the May 17th, 2023, public hearing, written protests against the rate increases, as outlined above, are not presented by a **majority of the owners or tenants of the identified parcels** upon which the new Rates are proposed to be imposed, the SCSD board will be authorized to impose the Rate increases as presented here.