

Hornbrook Community Services District
PO Box 29
Hornbrook, Ca. 96044

Dear Hornbrook CSD Water Customer,

We have all seen our electric bills, gas, heating fuel, medical, insurance and other household costs increase dramatically in recent years; and we understand that every cost increase hits your household budget hard. You are receiving this letter because the Hornbrook CSD, who provides your water service, has done everything it can to keep the cost of our water operation and rates to a minimum, but must now increase revenue to pay for the increasing cost of electricity, chemicals, legal expenses, and compliance with state mandates. We must take all actions to keep our community drinking water safe.

We understand that there is never a good time to announce that water rates may need to be increased, but this letter and attached notice are to inform you that the District is considering increased water rates to keep the District financially solvent so that we can qualify for grants to make much needed improvements to the water system, improve water quality and the reliability of our water supply. If adopted, these new rates will go into effect and appear on your February 2018 water bill.

You are encouraged to review more information on the district expenses and need for the increased water rates, available on our website at www.hornbrookcsd.specialdistrict.org. If you have any questions regarding the rate increase information or process, feel free to contact me directly by email pkampa@kampacs.com, or call my cell phone at (209) 591-7100. You can also request written information by leaving a message at the water plant at (530) 475-3730.

We have scheduled an informational community meeting on the proposed rate increase to be held on _____ at _____, at the Hornbrook Community Hall.

Sincerely,

Peter J. Kampa
General Manager

**HORN BROOK COMMUNITY SERVICES DISTRICT
NOTICE OF PUBLIC HEARING
PROPOSED INCREASES AND CHANGES IN SEWER SERVICE RATES**

**JANUARY 24, 2018 AT 7:00 PM HORN BROOK COMMUNITY HALL
220 MAIN STREET, HORN BROOK CA 96044**

QUESTIONS OR COMMENTS? PLEASE CALL (209) 591-7100

NOTICE IS HEREBY GIVEN that the Hornbrook Community Services District will hold a Public Hearing on the proposed increase in water rates. All members of the public interested are invited to attend and be heard at the meeting, which will commence at 7:00 pm on January 24, 2018 and be held at the Hornbrook Community Hall, at 220 Main St., Hornbrook, California.

PROPOSED WATER RATES BEGINNING FEBRUARY 1, 2018

NOTICE IS HEREBY GIVEN that pursuant to Article XIID of the California Constitution, the Hornbrook Community Services District is proposing increases in water service rates beginning February 1, 2018, for water service to the property for which you are shown as the current property owner and ratepayer.

1. **Background.** The District currently charges the following monthly water service rates:

Fixed Base Rate (Includes 12,000 gallons of water)

Residential Customers - \$39.00 per month

Government Customers - \$225.00 per month

Commercial Customers (Businesses) - \$165.00 per month

Consumption Rate (Metered gallons of water used over the 12,000 base)

\$1.75 per 1,000 gallons

2. **Proposed Increase in Water Rates.** Proposed monthly water service rates to be effective February 1, 2018 are presented in the table below. The monthly water rates **cannot** be increased above the amount shown below, unless an additional public notice is mailed to you, and an additional public hearing held to determine if a majority of customers oppose the rates.

CUSTOMER TYPE	CURRENT MONTHLY BASE RATE	PROPOSED MONTHLY BASE RATE	CHANGE
RESIDENTIAL	\$39.00	\$81.77	\$42.77
COMMERCIAL	\$165.00	\$207.77	\$42.77
GOVERNMENT	\$225.00	\$267.77	\$42.77

3. **Basis for Calculation of Rates.** The proposed water rates have been calculated to yield sufficient revenues to pay the operating expenses of the District's water system, including the cost of pumping from the wells; chemicals to disinfect the water; to provide for the repair of water system infrastructure owned and operated by the District; to pay administrative, billing, accounting and legal expenses; and to establish a minimal financial reserve to allow the District to access grant funds for system improvements.

The District has identified that ongoing water system operating expenses have exceeded the revenue received from customers by an average of \$2000 per month, resulting in a deficit of an estimated \$27,000 by December 31, 2017. These expenses are expected to

continue into the future. In addition, the District has calculated an additional estimated expense of \$42,166 for increased system maintenance, minimal funding of reserves, additional contract accounting and bookkeeping services, and other known increases in operating expenses. An estimated total of \$69,284 in additional revenue is needed in 2018 to fund the cost of operating the District.

The proposed increase in water rates equally spread the costs of providing water service to each of 135 metered water customers, resulting in an increase of \$42.77 per month (\$42.77 per month x 135 customers x 12 months = \$69,284)

4. **Reasons for the Water Rates.** The purpose of the water rates is to generate sufficient revenues to pay for the administration, operation, and maintenance of the District's water operation, water treatment, to provide for repairs and replacement of the water system, to provide for unforeseen emergencies, and to pay for other obligations and expenses of the District associated with water service.

ADDITIONAL INFORMATION

Additional information on the proposed water rates and the estimated future financial needs and obligations of the District's water system are provided in the *Hornbrook CSD Water Revenue and Expense Evaluation Dated November 29, 2017*. The report is available for review on the District website at www.hornbrookcsd.specialdistrict.org or can be requested by email at pkampa@kampacs.com. You may also contact the District General Manager at (209) 591-7100 for a mailed copy or if you have questions or concerns.

COMMUNITY MEETING ON APRIL 19, 2017

In addition to the formal Public Hearing to be held on January 24, 2018 the District will be holding a community meeting at the Hornbrook Community Hall, 220 Main Street, Hornbrook on _____ at _____. The meeting will include a presentation on the proposed water rates and rate structure, reasons for the rate adjustments, and the financial obligations of the District's water operations. The meeting will also include an opportunity for questions and answers, as well as information on how individual water bills will be calculated. While no action will be taken during the community meeting, the Board of Directors welcomes your input and comments on the proposed water rates.

FILING A WRITTEN PROTEST

Any affected property owner may submit a written protest to the proposed increases and changes in water service rates; provided, however, only one protest will be counted per parcel. Each protest must (1) be in writing, (2) state that the identified property owner opposes the proposed increases and changes to the water service rates, (3) identify the parcel for which the protest is made (by assessor parcel number or street address), and (4) include the signature of the property owner.

Protests submitted by email, facsimile, or other electronic means will not be counted. Written protests may be submitted by mail to HCSD, P.O. Pox 29, Hornbrook CA 96044, or at the Public Hearing, so long as the protests are received before the end of the Public Hearing. Please identify on the envelope for any written protest, whether mailed or submitted in person to HCSD, that the enclosed written protest is for the Public Hearing on the Proposed Increase in Water Service Rates.

During the Public Hearing, the HCSD Board of Directors will hear all public testimony and consider all written protests. At the conclusion of the Public Hearing, HCSD will decide whether to adopt the proposed water rates. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest, but the District welcomes your input. If, at the end of the Public Hearing, written protests against the proposed increases and changes in the water rates are not presented by a majority of affected property owners of the identified parcels upon which they are proposed to be imposed, the District will be authorized to adopt the rates. If adopted, the proposed rates will become effective on February 1, 2018.