



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

www.oceanocsd.org

NOTICE OF PROPOSED INCREASE IN WATER SERVICE CHARGES

Date: August 13, 2020

To: Oceano Water Customers and Property Owners

From: Oceano Community Services District (OCSD)

Subject: Proposed Increase in Water Service Charges

The purpose of this memorandum is to provide water customers and property owners with information on a proposed increase in water service charges. An informational presentation with questions and answers will be held during the **Regular Board Meeting on September 9, 2020 at 6 PM**. Please see the section below on *How to Observe the Meeting*. If you have additional questions, or would like further information, please contact us by:

- Reviewing the OCSD website at oceanocsd.org
- Calling us at 805-481-6730
- Emailing us at carey@oceanocsd.org
- Visit us at 1655 Front Street, Oceano CA

Public Hearing –October 14, 2020

Due to the COVID-19 pandemic, a public hearing will be held on Wednesday October 14, 2020 at 6:00 pm via videoconference. The purpose of the hearing will include considering all protests to the rate increase. Written protests will be accepted until the close of the public hearing at the District office located at 1655 Front St., Oceano, CA 93445. If written protests are received from more than 50% of the properties receiving water service, then the Board cannot adopt the proposed rate increase.

HOW TO OBSERVE THE MEETING

Telephone: Listen to the meeting live by dialing **(669) 900-9128** or **(253) 215-8782**. Enter **Meeting ID# 892-6279-7188** followed by the pound (#) key. Then enter the **Password: 508435** followed by the pound (#) key. If the line is busy, additional phone numbers can be found on Zoom's website at <https://zoom.us/j/89262797188>

Computer: With internet access use the **Password: 508435** to watch the live streaming at:
<https://us02web.zoom.us/j/89262797188?pwd=Q2lUeVc5THhnZk10TEtOUTlTcXRiZz09>

Mobile: Log in through the Zoom Mobile App on a smartphone or tablet and enter **Meeting ID#: 892-6279-7188** then enter the **Password: 508435**.

For information on Zoom's system requirements please visit:

<https://support.zoom.us/hc/en-us/articles/201362023-System-Requirements-for-PC-Mac-and-Linux>

This meeting will be conducted using Zoom software, which requires a name/email to be entered prior to accessing the meeting. This is not a District requirement for participation. Public participants are welcome to use an anonymous name/email if preferred.

Amount of Proposed Rates and Charges

The amount of the proposed rates and charges are listed on the attached schedule of adjustments. These rates are proposed to become effective upon adoption of the Water Rate Ordinance and will be adjusted annually every July 1 thereafter. The proposed rates and charges for the OCSD water system will not exceed actual costs of providing water service.

Basis for the Rate Increase

The basis for the rate increase is more fully explained in the 2020 Water Rate Analysis, which is posted on the OCSD website or can be picked up at the OCSD office at no charge to current water customers and property owners. The calculations that were used for the proposed rates were based on the Revenue Requirements identified in the 2020 Water Rate Analysis. The calculations include a volumetric consumption charge to cover the cost of both the Lopez and State water supplies as well as a basic bi-monthly charge to cover all other costs of the water system.

Reasons for the Rate Increase

The reasons for the rate increase are more fully explained in the 2020 Water Rate Analysis, which is posted on the OCSD website or can be picked up at the OCSD office at no charge to current water customers and property owners. In summary, the rate increase is needed because a significant revenue shortfall exists and the OCSD Water Fund is in a deficit.

The revenue shortfall is creating a budget deficit of \$484,784 and without the rate increase, the financial status of the OCSD Water Fund will continue to deteriorate. Costs have increased nearly \$1 million annually since the last rate increase process in 2015, including the cost of wholesale water (Lopez Water and State Water). The proposed increase will become effective with the billing period beginning in November 2020.

Other Issues

Property owners may receive a duplicate of this notice to preserve the OCSD legal right to collect unpaid water bills on property tax bills, as allowed by State law.

If you would like more information on the water rate increase, please contact us as stated above.

Oceano Community Services District Water Rate Adjustments

Bi-Monthly Rates

	Current	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
Single Family Residential Base Charge	\$53.56	\$60.52	\$66.58	\$73.23	\$75.43	\$77.69
Multi Family Residential Base Charge	N/A	\$45.39	\$49.93	\$54.92	\$56.57	\$58.27
Non-Residential Base Charge						
5/8	\$59.80	\$67.57	\$74.33	\$81.76	\$84.22	\$86.74
3/4	\$72.81	\$82.28	\$90.50	\$99.55	\$102.54	\$105.62
1	\$111.40	\$125.88	\$138.47	\$152.32	\$156.89	\$161.59
1&1/2	\$201.21	\$227.37	\$250.10	\$275.11	\$283.37	\$291.87
2	\$312.52	\$353.15	\$388.46	\$427.31	\$440.13	\$453.33
3	\$497.30	\$561.95	\$618.14	\$679.96	\$700.36	\$721.37
4	\$844.80	\$954.62	\$1,050.09	\$1,155.10	\$1,189.75	\$1,225.44
6	\$1,317.12	\$1,488.35	\$1,637.18	\$1,800.90	\$1,854.93	\$1,910.57
Volume Charges (1 CCF= unit)						
per unit	per unit	per unit	per unit	per unit	per unit	per unit
0-6 units	\$1.80	\$3.30	Actual	Actual	Actual	Actual
7-12 units	\$5.44	\$6.47	Actual	Actual	Actual	Actual
13-18 units	\$5.83	\$6.47	Actual	Actual	Actual	Actual
19-24 units	\$6.31	\$6.47	Actual	Actual	Actual	Actual
24+ units	\$6.54	\$6.47	Actual	Actual	Actual	Actual
Other:						
Hydrant Meter	\$3.53	\$6.47	Actual	Actual	Actual	Actual
Out of Area Charge	\$8.51	\$9.62	\$10.58	\$11.64	\$11.98	\$12.34
Backflow Preventer Inspection	N/A	Pass-through	Pass-through	Pass-through	Pass-through	Pass-through
Meter Test Charge	\$40.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00

Actual costs are wholesale pass-through costs for Lopez and State water supplies