



NOTICE OF PUBLIC HEARING ON PROPOSED WATER RATE INCREASES

This notice is provided to all property owners and customers who currently receive water services from the Los Osos Community Services District (District). The District Board of Directors will be holding a public hearing to consider proposed adjustments to water rates. The hearing will be held on:

DATE: June 2, 2022

TIME: 6:00 PM

PLACE: 2122 9th Street, Suite 110, Los Osos, CA. 93402

This Notice of Public Hearings provides information about increases to the District’s water rates pursuant to the requirements of California Constitution Article XIII (commonly referred to as Proposition 218). This notice provides information on (1) reasons for the rate adjustments, (2) how water rates are calculated, (3) how customers can receive more information on the effect of the proposed changes to their water bill, and (4) how to file a protest against the proposed rate increases. The meeting agenda will be made available approximately 1 week before the June 2nd meeting.

WHY ARE RATE INCREASES NEEDED?

Rate increases are needed to fund critical water supply and reliability improvements, finance high-priority capital projects, and keep up with operating cost inflation. Several factors drive the need to increase the District’s water rates, some of which are:

- Help secure a sustainable water supply by funding Los Osos Groundwater Basin Plan projects
- Address high priority capital improvement needs identified in the District’s near-term 5-year Capital Improvement Plan (available on the District’s website, losososcsd.org)
- Adequately fund the increased operational expenses of the water system

The District’s water operations rely on rate revenue to pay for operations and maintenance, infrastructure replacement and improvements and debt service. Water service is provided 24 hours a day, seven days a week, 365 days a year.

The proposed rates were developed by a working group of community members and advisory groups that provide input to the District; the *Financial Advisory Committee* and *Utilities Advisory Committee*. LOCSO is proposing to phase in the proposed rate increases over three years to help minimize the annual impact on customers.

BASIS UPON WHICH THE WATER RATES ARE CALCULATED

The proposed rates are calculated to recover the cost of providing water services and to proportionately allocate the costs among the users. To derive the proportionality, the District completed a cost of services analysis in 2017. Additional analysis was conducted in 2022 to confirm revenue projections and expenses and determine the proposed water rates for the next three years. If approved, the proposed rates would become effective on July 1 of each fiscal year.

PROPOSED WATER RATES

LOCSO is proposing to phase in a series of water rate increases over the next three years as shown on the table below. Water service charges include both 1) a fixed bi-monthly Service Charge levied regardless of water use, plus 2) Water Consumption Charges billed based on metered water use in each bi-monthly billing period. Water



Los Osos, CA 93402-1003

Current Resident

Los Osos CSD
2122 9th Street, Suite 110
Los Osos, CA 93402



Consumption Charges are billed via four inclining rate tiers with water purchased first in Tier 1 and then subsequently in higher tiers as water use increases.

Proposed Three-Year Water Rates					
		2021-22 (current)	2022-23	2023-24	2024-25
Base Fee		\$70.00	\$73.00	\$74.00	\$75.00
Tier 1	1 - 5 ccf	\$6.00	\$6.25	\$6.45	\$6.65
Tier 2	6 -10 ccf	\$7.75	\$8.10	\$8.40	\$8.65
Tier 3	11-20 ccf	\$9.50	\$9.90	\$10.25	\$10.55
Tier 4	>20 ccf	\$11.25	\$11.70	\$12.10	\$12.45

HOW WOULD THE PROPOSED RATE INCREASES IMPACT MY WATER BILL?

The average water use for the residential customer is about 11 units of water during a two-month (bi-monthly) billing cycle. The following tables summarize the impact of the rate increase on a single-family residential customer. The cumulative impact of the rate increase is \$13.80 bi-monthly (\$6.90 monthly) at the end of year 3 of the rate increases.

Average Water Customer – 11 units				
Year	Base Fee	Volume Charge	Total	Increase (bi-monthly)
Current	\$70	\$78.25	\$148.25	
2022-2023	\$73	\$81.65	\$154.65	\$6.40 – 4.32%
2023-2024	\$74	\$84.50	\$158.50	\$3.85 – 2.49%
2024-2025	\$75	\$87.05	\$162.05	\$3.55 – 2.24%
			Cumulative Total	\$13.80

HOW DO I PROTEST THE PROPOSED WATER RATES?

Under Proposition 218, if you are the owner of record of a parcel or parcels or a tenant directly liable for payment of the water bill, you may submit a written protest against the proposed changes to the water rates presented in this notice. Only one written protest per affected property will be counted towards the majority protest. If written protests are filed by a majority of the affected parcel owners and/or customers, the proposed rate increases will not be imposed. Although oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest, the Board of Directors welcome input from the community during the public hearing. Additionally, a challenge to new or increased California water rates **must be brought within 120 days** of the effective date of the rates pursuant to Senate Bill 323.

It is Important to Follow These Instructions for Your Protest to Be Valid:

1. The protest must be submitted and received by the District at or before the end of the public hearing on **Thursday, June 2, 2022**. Written protests may be mailed or hand-delivered to the Los Osos Community Services District, 2122 9th Street, Suite 110. E-mail and fax protests will not be valid.
2. The box identifying that you are protesting the water rates **must** be checked.
3. The written protest **must** contain the service address.
4. The protest **must** be signed by either the account holder or the property owner of the service address.

If you have any questions or would like additional information, please contact the LOCS D at (805) 528-9370.



PROPOSED WATER RATE INCREASE PROTEST FORM

Name (please print): _____

Services Address (please print): _____

Date: _____

I am protesting the proposed Water Rate (check the box)

Signature _____

Property Owner Account Holder

Mail: Los Osos CSD PO BOX 6064, Los Osos, CA 93412 or Deliver: 2122 9th Street Suite 110, Los Osos, 93402