

Grizzly Flats CSD Newsletter September 2023



UPDATE ON THE COST OF SERVICES STUDY & NEW RATE STRUCTURE

On Thursday, September 7, 2023, the District will hold a Board Meeting to receive a fee study report prepared by Hansford Economic Consulting LLC (Catherine Hansford) and then provide direction about how to proceed with changes to the District's rate structure.

The District's last rate change was in 2016, and a five-year plan of small increases was implemented to gradually change water rates from \$60.37 per month to the current rate of \$68.97 per month plus \$1.20 per 748 gallons of water usage. Staff and the Board planned to reassess the water rates in 2021 but were unable to due to the Caldor Fire. Customers were not billed for the first eight months after the fire, which depleted the District's operating reserves.

GFCSD staff continue to reduce expenses with creative solutions. We're lucky to have employees with a variety of skills, backgrounds, and have used in-house labor to tackle many projects. We have fantastic volunteers who conduct monthly meter reading and stuffing water bills. Even our Board of Directors and District Treasurer are volunteers, which is very rare these days. However, no matter what reductions we make or creative savings we find, there comes a time that prices for goods and services go up, regulations increase, and we must evaluate our revenue.

Hansford Economic Consulting LLC (HEC), was selected by the Board and has been working closely with our District staff to develop financial projections to identify alternative rate structures. We worked to base projections on the best information we had available and conducted a Salary Survey to ensure our wages for our

employees fit their job descriptions. We looked at past spending, future spending, and realistic expenditures for our District.

The Board will consider multiple scenarios that include a basic monthly charge and a volumetric rate for water usage. The basic monthly charge covers our fixed expenses which are those costs the District has no matter how much water we produce, and the volumetric rate is based on variable expenses which are the costs that change based on water demand (for example, when we need to produce more water in the summer, our power bill goes up because our treatment plants are running longer hours.) Our fixed expenses are estimated to be 90% of our budget and our variable expenses are at about 10%.

WE WANT YOUR FEEDBACK!

We want to encourage all customers to provide feedback and to be a part of the process! Some water users may be impacted more than others in different water rate scenarios, so it is important for you to be a part of the process and provide input. All Board Meetings are open to the public. Agendas and how to join in are posted to the website. Rate Study information will also be posted to the website. The District plans to hold a public workshop prior to finalizing the proposed rate structure to receive comments.

Written comments can be dropped off at our office, mailed back with your water payment, or emailed!

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Grizzly Flats, CA 95636-0250

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Grizzly Flats, CA 95636

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Once a rate structure has been selected by the Board of Directors, we will proceed with the Proposition 218 process, which includes:

- Adoption of a Rate Study setting forth the proposed rate and methodology.
- Set a Public Hearing date.
- Mail a Notice to all rate payers.
 - At least 45 days before the public hearing.
 - Identifies the proposed rate change.
 - Explains reason for change and how the rate is calculated.
 - Explains how to submit a written protest against the proposed rate change.

Our goal is to adopt new water charges by May 2024. Our District must meet certain financial obligations, pay our expenses, and fund reserves that support our water system infrastructure. We rely on our customers so that we can operate a financially solid water system and continue to provide you with the highest quality water service.

METER READERS & BOX ACCESS ISSUES

Water meters are physically read by District staff and volunteers between the 18th and 22nd of each month, weather permitting. The meter readers travel on foot or in a vehicle and will check your water meter to determine the amount of water used for billing purposes. They also check for signs of a water leak and if potential issues are identified, office staff will notify the customer. Please understand that our volunteers perform this work as a courtesy which helps keep staffing costs down for our ratepayers. If you are concerned because you see someone near your water meter during the middle of the month, please contact our office so that we can confirm the description of your reader. Also, the thick vegetation that has appeared following the Caldor Fire is making it nearly impossible for staff to locate water meter boxes. **Per GFCSD Ordinance 88-1: “The property owner shall ensure that the water meter (service connection) box remains accessible at all times. Access to the service/meter**



box shall not be restricted by a fence, bushes, debris or any other obstruction.” We would greatly

appreciate it if you could keep the water meter box clear at all times, including winter, so that it can quickly be accessed during an emergency. Thank you for your understanding!

BUYING OR SELLING A PROPERTY IN GRIZZLY FLATS? BE SURE TO CALL US!

When selling a property with a water service connection, the transfer of the water bill occurs on the date escrow closes. Once we are notified by you of the escrow closure, we read the water meter at the home and use that to accurately calculate your final bill. The new rate structure charges you for your actual usage, so it is in your best interest to give us a call as soon as escrow closes. We appreciate your cooperation with this!

OFFICE SERVICES

The GFCSD Office does offer the following office services if you need them:

- **Copies** - 15¢ per page
- **Fax** (incoming & outgoing) - \$1.00 for the first page and 15¢ all pages thereafter.

Just as a reminder, our office hours are Monday through Friday, from 9:00 AM to 2:00 PM.

UPCOMING HOLIDAY

The GFCSD Office will be closed on Monday, September 4, 2023, in observance of Labor Day.

