

NEVADA COUNTY SANITATION DISTRICT No. 1

PUBLIC HEARING ON PROPOSED SEWER SERVICE CHARGE RATE ADJUSTMENTS
June 22, 2021

(Please Share This Information with Tenants)

Our goal at the Nevada County Sanitation District No. 1 (District) is to provide safe, reliable sewer (wastewater) service to our customers. The District provides wastewater collection, treatment, and disposal services to 10 active zones in unincorporated Nevada County and serves approximately 5,600 residential dwelling units and 15 commercial properties. Also, the District maintains pipeline and systems for 700 residential and 3 commercial properties which are within the active zones but have yet to connect to the system. These customers pay an annual Sewer Standby charge to help maintain the system for eventual connection. To continue to meet our goal as well as address increased costs in materials, fuel, equipment, insurance, and construction coupled with the need for ongoing improvements to infrastructure, the District proposes Sewer Service Charge adjustments over the next five fiscal years (FY), 2021-2025. Proposed Sewer Service Charge changes will become effective July 1 of each year starting July 1, 2021.

Building Efficiency: Consolidation of Existing District Zones

The District will be consolidating five existing zones into two zones beginning in FY 2021-22. The consolidated zones are within close proximity to one another and allow for shared use of sewer facilities. Combining maintenance and administrative expenses will reduce the District's wastewater operations costs. Lake Wildwood, Penn Valley, and Valley Oak Court service areas will be consolidated into one zone. Lake of the Pines and Higgins Village service areas will be consolidated into a second zone. In each case, all customers within a consolidated zone will see their Sewer Service Charges transition to a uniform rate by FY 2023-24 for sewer maintenance and operation service charges and for capital and acquisition service charges.

Purpose of Sewer Service Charges

Revenue from Sewer Service Charges cover the District's costs to provide wastewater collection, treatment, and disposal services. Sewer Service Charges also fund updates or rehabilitation to existing wastewater infrastructure, payments on existing debt, and the cost of operation; of which, operating costs are projected to increase at a rate equal to or less than inflation.

With the proposed Sewer Service Charges over the next five years, the District will continue to provide safe, reliable wastewater service. Sewer Service Charges will also continue to pay for previously issued debt which funded large capital improvements. Once the existing debt is paid off, the funds currently allocated to debt will be used to fund necessary capital projects. In addition, the District must build a six-month operating reserve in each zone to pay operating costs and cover the delay in receiving revenues bi-annually via the tax roll. Lastly, the District has set a target of generating enough capital reserves to cover the \$341,000/year capital improvement program. As such, the proposed changes to the District's Sewer Service Charges will meet the funding requirements of operations, debt, capital, and adequate reserves for FY 2021-22 through FY 2025-26.

Proposed Sewer Service Charges

A Wastewater Fee Study for All Zones, completed by the District's consultant, HF&H Consultants (HF&H), found some of the zones' Sewer Service Charges need to increase, one will remain the same, and one needs to decrease. These changes reflect the projected costs of service and cover operating and capital expenses during the next five fiscal years, FY 2021-22 through FY 2025-26. The cost-of-service analysis was completed in April 2021 to ensure each zone's share of the District's costs were accurate. A copy of the study is available online at MyNevadaCounty.com/NCSDRates and is on file with the County Clerk, located at 950 Maidu Avenue, Nevada City, CA 95959. For additional assistance on the proposed Sewer Service Charges, please call (530) 265-1411.

Within each zone, the charge billed per Equivalent Dwelling Unit (EDU – a standard measure for wastewater quantity) was aligned with the costs to maintain and operate the system, pay the debt, and provide for adequate funds to pay the bills and fund necessary capital improvement projects.

Summary of Current and Proposed Sewer Service Charges

	Current Rate Proposed Rates (\$/EDU)					
	Current Rate					
Service Area	\$/EDU	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Consolidated #1						
Z1 Lake Wildwood - O&M	\$712	\$830	\$966	\$1,126	\$1,160	\$1,195
Z1 Lake Wildwood - Capital	\$283	\$282	\$282	\$273	\$281	\$290
Z6 Penn Valley - O&M	\$880	\$955	\$1,037	\$1,126	\$1,160	\$1,195
Z6 Penn Valley - Capital	\$115	\$155	\$207	\$273	\$281	\$290
Z12 Valley Oak Court - O&M	\$2,000	\$830	\$966	\$1,126	\$1,160	\$1,195
Z12 Valley Oak Court - Capital	\$0	\$91	\$182	\$273	\$281	\$290
Consolidated #2						
Z2 Lake of the Pines - O&M	\$810	\$1,017	\$1,251	\$1,525	\$1,525	\$1,525
Z2 Lake of the Pines Capital	\$375	\$367	\$367	\$367	\$367	\$367
Z11 Higgins Village - O&M	\$1,675	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525
Z11 Higgins Village - Capital	\$0	\$367	\$367	\$367	\$367	\$367
Z4 North San Juan	\$785	\$864	\$950	\$1,045	\$1,149	\$1,264
Z5 Gold Creek	\$235	\$282	\$338	\$406	\$487	\$585
Z7 Mountain Lake Estates	\$565	\$593	\$623	\$654	\$687	\$721
Z8 Cascade Shores - O&M	\$2,231	\$2,276	\$2,321	\$2,368	\$2,415	\$2,463
Z8 Cascade Shores - Capital	\$214	\$218	\$223	\$227	\$232	\$236
Z9 Eden Ranch	\$1,148	\$1,148	\$1,148	\$1,148	\$1,148	\$1,148



Nevada County Sanitation District No. 1 950 Maidu Ave Menlo Park, CA 95959

Important Information – Notice of Public Hearing on Proposed Sewer Service Charge Rate Adjustments Tuesday, June 22, 2021 at 1:30 pm

Proposition 218

In 1996, California voters approved Proposition 218 which amended the state constitution relating to the passage of property-related fees. Rates set by public agencies in California are subject to Proposition 218, which requires that rates are based on actual costs of service. Proposition 218 requires the District to (1) inform property owners and rate payers that rate adjustments are being considered, (2) clearly demonstrate the basis on which the rates are calculated, and (3) hold a public hearing at least 45 days after public notification.



NEVADA COUNTY SANITATION DISTRICT No. 1

NOTICE OF PUBLIC HEARING ON PROPOSED SEWER SERVICE CHARGE RATE ADJUSTMENTS

Notice is given that the Board of Directors of Nevada County Sanitation District No. 1 will conduct a Regular Meeting and Public Hearing on **Tuesday**, **June 22 at 1:30pm**.

The location of the meeting is:

Eric Rood Administrative Center
950 Maidu Avenue
Nevada City, CA 95959
Meeting can be viewed live through the web at www.mynevadacounty.com/boardmeetings

The purpose of the Public Hearing will be to consider the proposed increases in Sewer Service Charge fees for all customers within the District for fiscal years 2021-22 through 2025-26. At the Public Hearing, any interested persons may address the District Board. Proposition 218 requires the District to (1) inform property owners and rate payers that rate adjustments are being considered, (2) clearly demonstrate the basis on which the rates are calculated, and (3) hold a public hearing at least 45 days after public notification.

Any record owner of a parcel upon which the Sewer Service Charges are imposed and any tenant directly liable for the payment of charges derived by the Sewer Service Charge fees (i.e. a customer of record who is not a property owner) may submit a written protest to the proposed Sewer Service Charge adjustments. Protests must (1) be in writing, (2) state which utility service rate adjustment(s) the identified property owner or tenant is protesting, (3) provide the location of the identified parcel by street address or assessor's parcel number, and (4) include the name and signature of the property owner or tenant submitting the written protest. However, only one protest will be counted per identified parcel.

Written protests may be hand-delivered or mailed to ATTN: Nevada County Clerk of the Board – Public Hearing on Proposed Sewer Service Charges, 950 Maidu Avenue, PO Box 599002, Nevada City, CA 95959 on or before the public hearing date, or in person at the public hearing (specified above). To be counted, written protests must be received before the close of the public comment portion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a valid written protest.

Any person interested, including customers of the Nevada County Sanitation District No. 1, may appear at the public hearing and be heard on any matter related to the proposed increase in Sewer Service Charges. At the public hearing, the District will consider all written protests. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. At the end of the Public Hearing, the District Board will consider the adoption of the proposed increases as described in this notice. If a majority of District customers (50% + 1) protest in writing against the proposed fees, the District will not increase the Sewer Service Charges.

We hope you will support us in our goals to continue to provide safe, reliable wastewater service to our customers.