



1960 Elgin Street
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**Lake Oroville Area Public Utility District
Proposition 218 Notification
NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING
ON WASTEWATER RATES**

<INSERT OWNER NAME>
<INSERT ADDRESS 1>
<INSERT ADDRESS 2>

APN Number: <INSERT APN#>
Service Address: <INSERT SERVICE ADDRESS>

Hearing Date & Time: Tuesday, July 9, 2024, at 2:00 PM or as soon thereafter as possible
Hearing Location: 1960 Elgin Street Oroville, CA 95966
Questions / More Information: David Goyer 530-533-2000 ext. 103

Why Am I Receiving This Notice?

You are receiving this notice in accordance with Proposition 218, a state law which requires providers of public utility services (including wastewater service) to notify rate payers of increases in proposed rates. The property listed above receives wastewater service from **Lake Oroville Area Public Utility District ("the District")**.

This notice is intended to provide you with information on the service provided by the District, the reasons for the proposed rates, and the methods by which you can protest the proposed rates if you desire.

What Service Do Rates Fund?

The District provides wastewater service to approximately 6,100 equivalent dwelling units in the District service area.

Why is a Rate Increase Needed?

Current rates do not reflect the full cost necessary to provide wastewater services. The proposed rates are designed to sustainably operate and maintain the wastewater utility.

- District is projected to incur approximately \$750,000 per year for wastewater enterprise collection system capital improvement projects.
- Pass through for wastewater treatment costs for the regional wastewater treatment plant, including operations and maintenance and a wastewater treatment plant upgrade project.
- Increase in staffing costs and projected inflation in operating costs.

Basis of Proposed Rates

Article XIIIID of the California Constitution (also known as Proposition 218) requires that providers of public utility services levy service charges that are clearly linked to the cost of providing the service to each parcel. The cost of service calculation includes expenses such as debt service, labor, energy, chemicals and other supplies, and the cost of providing required maintenance of the system. The rates proposed herein are designed to meet all legal requirements and fairly and equitably recover the required revenue from all customers. The rates were developed by an independent consultant retained by the District.

Wastewater Rate Background

Wastewater customers are charged a fixed monthly rate per equivalent dwelling unit. The District provides wastewater collection, while Sewerage Commission – Oroville Region (“SCOR”) provides wastewater treatment.

Wastewater Treatment Charge Passthrough

The District collects and passes on treatment charges to SCOR. If SCOR adopts higher treatment charges, at least 30 days before the effective date of the adjustment, the District will provide its customers with notice of the new charge. There is no requirement to hold a public hearing or any additional action by the Board.

Current and Proposed Wastewater Rates

Fixed Monthly Rates Per Equivalent Dwelling Unit (EDU)¹

<u>Wastewater Collection Charge²</u>	<u>Current</u>	<u>July 1, 2024</u>	<u>July 1, 2025</u>	<u>July 1, 2026</u>	<u>July 1, 2027</u>	<u>July 1, 2028</u>
Regular Gravity Flow	\$28.21	\$29.83	\$31.08	\$32.39	\$33.76	\$35.20
KRE Sewer With Pumping ³	\$31.58	\$33.42	\$34.66	\$35.97	\$37.35	\$38.79
Regular Sewer With Pumping	\$34.06	\$35.90	\$37.14	\$38.45	\$39.83	\$41.27
Villa Verona	\$33.06	\$34.92	\$36.43	\$38.00	\$39.66	\$41.39
Wastewater Treatment Charge⁴	\$23.85	\$24.49	\$25.71	\$27.00	\$28.35	\$29.77
<u>Total Bill (Collection + Treatment)</u>						
Regular Gravity Flow	\$52.06	\$54.32	\$56.79	\$59.39	\$62.11	\$64.97
KRE Sewer With Pumping ³	\$55.43	\$57.91	\$60.37	\$62.97	\$65.70	\$68.56
Regular Sewer With Pumping	\$57.91	\$60.39	\$62.85	\$65.45	\$68.18	\$71.04
Villa Verona	\$56.91	\$59.41	\$62.14	\$65.00	\$68.01	\$71.16

1 Proposed mobile home units are equivalent to 0.85 EDUs and multifamily units 0.88 EDUs. (Currently 1 EDU).

2 Current and proposed rates include a \$4.90 per EDU charge for USDA Rural Development Agency debt.

3 Kelly Ridge Estates customers are also subject to an assessment of \$2.48 per month for pumping costs.

4 Sewerage Commission – Oroville Region provides wastewater treatment for the District.

Community Input, Written Protest Procedures & Statute of Limitations

Members of the public are invited to attend the Public Hearing and provide input on the proposed rates. Property owners and customers may also submit written protests against the proposed rates. Written protests must: a) identify the affected property or properties, such as by address, Assessor’s Parcel Number, or customer account number, b) include the name and original signature of the customer or property owner submitting the protest and c) indicate opposition to the proposed wastewater rate increases. Written protests should be mailed or delivered to: Attn: District Clerk, 1960 Elgin Street, Oroville CA 95966.

Pursuant to California law, one written protest will be counted per parcel. Protests submitted by e-mail, facsimile or other electronic means are not counted. The proposed rates cannot be adopted if written protests are received from a majority of affected parcels. Written protests must be submitted prior to the close of each Public Hearing. Additionally, pursuant to California Government Code 53759, there will be a 120 day statute of limitations for challenging any new, increased, or extended fees, including wastewater service charges.