

Garden Farms Community Water District

17005 Walnut Avenue • Atascadero, CA 93422 • Tel 805-438-3751

Board of Directors:

Charron Sparks (Chairperson) • John Pinson • John Billings
Jay Jamison • Cory Pereira

Dear Property Owner/Tenant:

August 1, 2017

Notice of Public Hearing Regarding Proposed Increases in Water Rates

The Garden Farms Community Water District Board will conduct a public hearing on the proposed increases to water rates on: **October 11, 2017 at 7:00 pm** at the following location:

**Garden Farms Bible Chapel, Meeting Room
17005 Walnut Avenue, Atascadero, CA 93422**

This notice is being sent to all Garden Farms property owners and tenants receiving water service. If adopted, the proposed new rates would take effect December 1, 2017. This notice also describes how to file a protest to this proposed action. All property owners/tenants and other interested parties are invited to attend the public hearing and be heard on the matter.

REASON FOR THE PROPOSED WATER RATE INCREASES

The Garden Farms Community Water District operates and manages an older, small community potable water system. The system serves 116 properties with water provided by 3 water wells, over 6 miles of below ground mainline pipe, and a 225,000 gallon water storage tank. The District provides more that 2 million cubic feet of water to customers each year.

The community of Garden Farms dates back to the early 1930's. A majority of the mainline pipe carrying water to customers is over 80 years old and at significant risk of failure. Over the course of the last 10 – 15 years mainline pipes have suffered failures (leaks) and have been repaired at significant expense. During the same time period, the District replaced the mainline running down Pine Street, upgraded both Wells #1 and #2, replaced 12 old style single head fire hydrants with modern multi-head hydrants, and multiple meters replaced. During the last two years, the District upgraded and brought Well #3 back on line.

The District has several sources of funds utilized to provide for both operational and capital expenses. These included water service fees, taxes and assessments, and cell site lease revenues. Water service fees are intended to provide for day to day operations while taxes/assessments and cell site lease revenues provide for capital expenditures.

WATER RATE COMPARISON

The District last increased water rates in 2012 and the increase was conservative. Below are 2017 water rates for other north county communities. Garden Farms residents are billed bi-monthly and rates are in cubic feet (CF). Several districts bill by gallon and not cubic foot, and most bill monthly. The left side of the chart below provides water rates converted to a CF basis and the right side provides a bi-monthly conversion in order to provide a comparison.

<u>Shandon</u>			
This area not applicable			
Bi-monthly Billing			
	Cubic Feet	Cubic Feet	
	Up to	1000	\$67.97 Base
	1000	1600	\$40.08 per 1000 CF
	0		\$54.40 per 1000 CF

<u>Templeton</u>			
Monthly Billing			
Cubic Feet	Cubic Feet		
Up to	300	\$17.05	Base
300	2000	\$21.30	per 1000 CF
2000	4000	\$28.40	per 1000 CF
4000	8000	\$36.90	per 1000 CF
8000		\$48.30	per 1000 CF

Bi-monthly conversion			
Cubic Feet	Cubic Feet		
Up to	600	\$34.10	Base
600	4000	\$42.60	per 1000 CF
4000	8000	\$56.80	per 1000 CF
8000	16000	\$73.80	per 1000 CF
16000		\$96.60	per 1000 CF

<u>Atascadero</u>			
Monthly Billing			
Cubic Feet	Cubic Feet		
Minimum		\$20.00	
134	1337	\$15.71	per 1000 CF
1337	3342	\$39.27	per 1000 CF
3342	6684	\$48.62	per 1000 CF
3475	10026	\$19.92	per 1000 CF
10026	13368	\$59.84	
13368		\$74.80	per 1000 CF

Bi-monthly conversion			
Cubic Feet	Cubic Feet		
Minimum		\$40.00	
Up to	2674	\$31.42	per 1000 CF
2674	6684	\$78.54	per 1000 CF
6684	13368	\$97.24	per 1000 CF
6950	20052	\$39.84	per 1000 CF
20052	26736	\$119.68	per 1000 CF
26736		\$149.60	per 1000 CF

<u>Santa Margarita</u>			
This area not applicable			
Bi-monthly conversion			
	Cubic Feet	Cubic Feet	
	Minimum		\$69.74 Base
	0		\$31.00 per 1000 CF

<u>Heritage Ranch</u>			
Monthly Billing			
Cubic Feet	Cubic Feet		
Up to	200	\$20.41	Base
200	2100	\$28.00	per 1000 CF
2100		\$48.30	per 1000 CF

Bi-monthly conversion			
Cubic Feet	Cubic Feet		
Up to	600	\$40.82	Base
600	4000	\$56.00	per 1000 CF
4000		\$96.60	per 1000 CF

<u>Paso Robles</u>			
Monthly Billing			
Cubic Feet	Cubic Feet		
0		\$44.00	per 1000 CF

Bi-monthly conversion			
Cubic Feet	Cubic Feet		
0		\$88.00	per 1000 CF

Below are the current rates for the Garden Farms Community Water District.

Garden Farms		Bi-monthly Billing			
	Cubic Feet	Cubic Feet			
This area not applicable	Up to	2500	\$50.00	Base	
	2500	→	\$12.50	per 1000 CF	

Below is a comparison.

Comparison			
Cubic Feet Used	1000 CF	2500 CF	5000 CF
Shandon	\$67.97	\$140.98	\$276.98
Templeton	\$51.14	\$115.04	\$235.74
Atascadero	\$71.42	\$118.55	\$306.70
Santa Margarita	\$100.74	\$147.24	\$248.00
Heritage Ranch	\$63.22	\$147.22	\$327.62
Paso Robles	\$88.00	\$220.00	\$440.00
Garden Farms	\$50.00	\$50.00	\$81.25

PROPOSED WATER RATE

As noted above, Garden Farms provides water at a very low rate. This is because District employees operate the District in an effective, safe and professional manner providing exceptional service and value to District customers. Unfortunately, costs have increased significantly during the last five years as the system ages and legal mandates increase. Revenues from water service fees are no longer adequate to provide for daily operations and the District has been forced to utilize funds that should be held for capital improvements to provide for the long term health of the District and community it serves.

For the fiscal year ending June 30, 2016, total operating expenses were \$89,071*. Total operating revenues (water sales) for the District were \$46,877. The significant shortfall was covered by cell site lease income as has been the case over the last several years but this cannot continue as those funds must be placed into capital facility sinking funds to provide for future mainline pipe replacements and continued upgrades of the Districts aging infrastructure.

The proposed water rates were determined using on historical and projected operating revenues (water sales), historical and projected operating expenses, and future capital improvements necessary for the District to continue to provide water to District customers. **The proposed water rates combine a change in the base rate and an increase in charges for water usage over the new base amount. The base amount will remain at 2,500 cubic feet.**

	Current Rates	Proposed Rates
Base Amount	2,500 Cubic Feet	2,500 Cubic Feet
Base Rate	\$50.00 bi-monthly	\$100.00 bi-monthly
Over-base Rate	\$12.50 per 1,000 Cubic Feet	\$21.00 per 1,000 Cubic Feet

* Year-end annual financial statements for the fiscal year ending June 30, 2017 are not yet available.

PUBLIC HEARING & PROTEST PROCEDURES

<p>Any record owner of a parcel upon which the water rates are proposed for imposition and any tenant directly liable for the payment of water rates (i.e., a customer of record) may submit a written protest to the proposed rate increases to the District's water rates; provided, however, that only one written protest will be counted per identified parcel. Written protests must contain all of the following:</p> <ul style="list-style-type: none">(1) State that the identified property owner or tenant is in opposition to the proposed increases to the water rates;(2) Provide the location of the identified parcel (by street address or assessor's parcel number (APN)); and(3) Include the name and signature of the property owner or tenant submitting the protest. <p>Written protests may be submitted by mail or in person to the water district manager, Marcia Joyce, at 17005 Walnut Avenue, Atascadero, CA 93422, or at the Public Hearing on October 11, 2017 provided they are received prior to the close of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted.</p>	<p>Prior to March 15, 2016, Deliver Written Protests via Mail or Personal Delivery To:</p> <p>Garden Farms Community Water District Attn: Marcia Joyce 17005 Walnut Avenue Atascadero, CA 93422</p> <p>OR</p> <p>Deliver your written protest prior to the Close of the Public Hearing on October 11, at 7:00 PM at the:</p> <p>Garden Farms Church, Meeting Room</p>
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The Garden Farms Community Water District Board will hear and consider all written protests and oral comments to the proposed rate increases at the Public Hearing. Protests may be withdrawn up until the close of the public hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the Board will consider the first reading of a resolution authorizing the rate increases to the District's water rates as described in this notice. If written protests against the proposed rate increases and adjustments to the water rates as outlined above are not presented by a majority of property owners of the identified parcels and tenants upon which the water rates are proposed to be imposed, the Board will be authorized to impose the respective rate increases and adjustments. If adopted, the proposed rate increase to the water rates will go into effect December 1, 2017 to be billed February 2018.

For more information or questions about the proposed water rate increases, please contact manager Marcia Joyce or any of your Board members.

Sincerely,

Charron L. Sparks
Garden Farms Community Water District Board Chair