

QCSD PROP. 218 NOTICE

Proposed Wastewater Service Rates and Charges

*The Quincy Community Services District will be holding a public hearing to consider proposed increases in wastewater rates. The meeting will be held **June 8, 2017 at 9:00 a.m., at 900 Spanish Creek Road, Quincy, CA.** At this hearing the Board of Directors will consider the recommendation to increase wastewater rates on July 1, 2017, July 1, 2018, July 1, 2019, July 1, 2020 and July 1, 2021 to recover the costs for the improvements to the wastewater treatment plant.*

Proposed New Wastewater Rates Based on New Effluent Limits

In 2010, the State Regional Water Quality Control Board imposed new effluent limits for QCSD's National Pollution Discharge Elimination System (NDPES) permit. The new permit adopted June 24, 2016, has even stricter limits for lead, copper and ammonia. In order to consistently comply with the new limits, improvements must be made to the existing wastewater treatment facility.

The treatment plant treats wastewater for Quincy and East Quincy residents. PACE Engineering was hired by both Districts to determine the most economical method to treat the wastewater.

Various options were researched, including, land application, a new treatment plant, East Quincy building their own plant, and various upgrades to the existing plant. A detailed Engineer's Report prepared by PACE Engineering, whose engineers are licensed by the State of California, is available at the District office to the public. Said report supports the increases in charges.

Both East Quincy and Quincy CSD agreed with PACE Engineering's recommendation to upgrade and improve the existing plant using the AeroMod Sequential Oxidation (SEQUOX) Activated Sludge. The estimated cost for this project is \$25,700,000. Jointly, Quincy CSD and East Quincy Services District will be applying for two loans based on the estimated costs. Please see page 3 for the financing summary.

Proposed Fee Changes

Quincy CSD wastewater rates consist of two parts: the wastewater treatment and the wastewater collection fees. The proposed rate increase is ONLY applicable to the wastewater treatment fee, and are subject to review as necessary, at which time the District shall give notice to all rate payers.

Please note that the rates on page two, entitled Proposed Wastewater Fee Increases, are based on the District receiving \$8,500,000 in grant monies. While these funds are never guaranteed, our engineers are confident that we will receive these funds. Both Districts are also applying for additional grant money to try to complete this project. Should the grant money not be received, the Board of Directors will have to re-evaluate the project costs with our Engineers.

(This notice consists of page 1, as indicated, page 2, the proposed wastewater fee increases, page 3, the financing information, and page 4, the protest form.)

Proposed Wastewater Fee Increases

The following table illustrates how the proposed wastewater rate recommendations affect the wastewater treatment fee for customers for the next five (5) years. (See page 3 for the duration of the loan)

SINGLE FAMILY RESIDENTIAL		Current (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)	Projected (FY 19-20)	Projected (FY 20-21)	Projected (FY 21-22)
QCSD Monthly Service Charge Percentage							
Increases		0.0%	12.0%	13.0%	15.0%	14.0%	13.0%
Treatment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection							
QCSD Monthly Service Charge Increases		\$27.57	\$30.88	\$34.89	\$40.13	\$45.74	\$51.69
Treatment		\$24.65	\$24.65	\$24.65	\$24.65	\$24.65	\$24.65
Collection		\$52.22	\$55.53	\$59.54	\$64.78	\$70.39	\$76.34
Total QCSD Monthly Service Charge		1.57%	1.67%	1.80%	1.97%	2.15%	2.34%
QCSD Percentage of MHI		0.0%	6.3%	7.2%	8.8%	8.7%	8.4%
QCSD Overall Monthly Service Charge Increase							
EQSD Monthly Service Charge per EDU Wastewater Treatment Only		\$27.57	\$30.88	\$34.89	\$40.13	\$45.74	\$51.69
MULTI-FAMILY (PER DWELLING UNIT)		Current (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)	Projected (FY 19-20)	Projected (FY 20-21)	Projected (FY 21-22)
QCSD Monthly Service Charge Percentage							
Increases		0.0%	12.0%	13.0%	15.0%	14.0%	13.0%
Treatment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection							
QCSD Monthly Service Charge Increases		\$25.00	\$28.00	\$31.64	\$36.39	\$41.48	\$46.87
Treatment		\$22.17	\$22.17	\$22.17	\$22.17	\$22.17	\$22.17
Collection		\$47.17	\$50.17	\$53.81	\$58.56	\$63.65	\$69.04
Total QCSD Monthly Service Charge		1.57%	1.67%	1.80%	1.97%	2.15%	2.34%
QCSD Percentage of MHI		0.0%	6.4%	7.3%	8.8%	8.7%	8.5%
QCSD Overall Monthly Service Charge Increase							

Commercial Wastewater Rates

Meter Size	Current (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)	Projected (FY 19-20)	Projected (FY 20-21)	Projected (FY 21-22)
5/8" Meter	\$9.73	\$10.35	\$11.09	\$12.07	\$13.12	\$14.22
3/4" Meter	\$12.43	\$13.22	\$14.17	\$15.42	\$16.76	\$18.17
1" Meter	\$19.21	\$20.43	\$21.90	\$23.83	\$25.90	\$28.08
1 1/2" Meter	\$36.95	\$39.29	\$42.13	\$45.83	\$49.81	\$54.02
2" Meter	\$57.37	\$61.00	\$65.41	\$71.16	\$77.34	\$83.87
3" Meter	\$105.06	\$111.72	\$119.79	\$130.32	\$141.62	\$153.59
4" Meter	\$173.11	\$184.08	\$197.38	\$214.73	\$233.36	\$253.07
Commercial Wastewater Usage Rate (\$/100 gallons)	Current (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)	Projected (FY 19-20)	Projected (FY 20-21)	Projected (FY 21-22)
Low Strength User	\$0.602	\$0.64	\$0.69	\$0.75	\$0.81	\$0.88
Medium Strength User	\$0.742	\$0.79	\$0.85	\$0.92	\$1.00	\$1.08
High Strength User	\$1.093	\$1.16	\$1.25	\$1.36	\$1.47	\$1.60
Schools	\$0.553	\$0.59	\$0.63	\$0.69	\$0.75	\$0.81
East Quincy Wastewater Treatment Rate						
Service Charge per DUE	\$27.57	\$30.88	\$34.89	\$40.13	\$45.74	\$51.69

Please note: The fees disclosed are for a period of five (5) years. The schedule will be re-calculated and disclosed as necessary.

PROPOSED WWTP PROJECT FINANCING

NO. EXISTING EDUs:		
	QCSD:	1,380
	EQSD:	<u>1,407</u>
	Total Existing EDUs:	2,787
TOTAL ESTIMATED PROJECT COST		\$26,000,000
	USDA	CWSRF
FUNDING SPLIT BETWEEN SOURCES	54.0%	46.0%
FUNDING SPLIT AMOUNT	\$14,040,000	\$11,960,000
Additional Funding Application	\$10,000	\$20,000
Interim Financing during Construction	\$0	\$57,500
Funding Administration	\$0	\$20,000
TOTAL ESTIMATE PROJECT COST SPLIT:	\$14,050,000	\$12,057,500
GRANT AND DISTRICT CONTRIBUTIONS		
CWSRF Planning Grant Contribution:	\$0	\$500,000
Potential Grant Allocations:	\$3,000,000	\$5,500,000
District Contribution:	\$972,000	\$828,000
NET FINANCED AMOUNT:	\$10,078,000	\$5,229,500
Additional Annual O & M Cost:	\$86,400	\$73,600
FINANCING TERMS		
Loan Term	40	30
Interest Rate	2.75%	1.6%
DEBT SERVICE & SHORT-LIVED ASSETS		
Annual Debt Service	\$418,555	\$220,851
Annual Debt Service Reserve @ 10%	<u>\$41,855</u>	<u>\$0</u>
TOTAL ANNUAL DEBT SERVICE OBLIGATION	\$460,410	\$220,851
Annual Short-Lived Asset Reserve Allocation	\$43,425	\$36,992
Total Annual Financing Obligation	\$590,235	\$331,443
Combined Annual Financing Obligation	\$921,679	
	\$27.56	
MONTHLY FINANCING OBLIGATION (\$/EDU):	\$27.56	

You Can Protest the Proposed Rate Increase

You can use the form in this notice to register your protest against the proposed wastewater rate increase. You can also choose to write a letter to the District, following the requirements below, or appear at the public hearing listed on the front cover of this notice to submit your WRITTEN protest.

How Can I Protest?

Rate payers may comment on the proposed rates. California Constitution Article XIII D section 6 (Proposition 218) prohibits the District from implementing new rates if a majority of the affected property owners file written protests opposing the rates before the end of the public hearing. In the event of an existence of a majority protest, as defined in Article XIII D, Section 6, it will result in the fees **NOT** being imposed.

Only one written protest per affected property will be counted towards the majority protest. Written protests must be received by the Board Secretary, 900 Spanish Creek Road, Quincy, CA. 95971, before the end of the public hearing which is scheduled for 9:00 a.m., June 8, 2017. All protests will be tabulated at that time.

Each protest must identify the affected property (by street address or Assessor's Parcel Number) and include the signature of the property owner. In compliance with Proposition 218, e-mail protests will **not** be accepted. Fax protests will also **not** be accepted. Although **oral** comments at the public hearing will **not** qualify as formal protests unless accompanied by a **written** protest, the Board of Directors welcomes input from the community during the public hearing.

Some customers will receive multiple notices In order to ensure that all customers are informed about possible wastewater rate increases, these Notices are being sent to all Quincy CSD customers. If you are responsible for more than one bill, you will receive more than one Notice.

USE THIS FORM TO PROTEST THE PROPOSED WASTEWATER RATE INCREASE

I, _____, protest this proposed increase to wastewater rates.
(Name)

Property Address or Assessor's Parcel Number:

APN: _____

OR

Property Address: _____

Signature: _____

If you wish to use this form as your protest, please fill out and return in the enclosed self-addressed envelope.

This material is available in alternative formats upon request to accommodate persons with disabilities or non-English speakers. To order information in an alternative format, please call the District office on or before May 25, 2017 (10 days earlier) at (530) 283-0836.