

Humboldt Community Services District

Dedicated to providing high quality, cost effective water and sewer service for our customers

FISCAL YEAR 2020/2021

NOTICE OF WATER AND WASTEWATER RATE PASS-THRU INCREASES

Due to Increased Costs from the Humboldt Bay Municipal Water District (HBMWD) and City of Eureka (COE)

The “pass-through” temporary volumetric rate increases will recover charges to HCSD from HBMWD and COE above those expected when HCSD calculated its current water and sewer rates in 2017. These pass-throughs address:

- Unplanned increases from COE for wastewater treatment, including operation and maintenance charges (COE O&M) in the amount of \$1,018,052.
- Unplanned increases from HBMWD and COE for wholesale water costs in the amount of \$237,283.

Pass-through of unplanned wholesale cost increases is permitted under Government Code section 53756, in order to ensure that both the water and wastewater rate revenue is adequate to meet HCSD’s cost of service.

Effective August 1, 2020, a separate line item will appear on all Utility Bills reflecting the following volumetric consumption pass-through charges per 100 cubic-feet (HCF):

SEWER TOTAL MONTHLY SERVICE RATES FOR FISCAL YEAR 2020/21

Flat Service Charge	Customer Classification	Plus, Fixed Service Charge Per Living Unit (LU)	Plus, Winter Average Volumetric Charge per HCF	Plus, COE Volumetric Pass-through per Winter Average HCF	Total Sewer Winter Average Volumetric Charge per HCF
\$4.19	Single Family Residential (1-3 LU)	\$18.72	\$ 5.82	\$ 1.79	\$ 7.61
4.19	Multi-Family Residential (4+ LU)	14.97	5.82	1.79	7.61
4.19	Mobile Homes/Trailer Parks	16.28	5.82	1.79	7.61
4.19	Commercial - Light Strength	18.72	6.96	2.14	9.10
4.19	Commercial - Medium Strength	18.72	9.22	2.83	12.05
4.19	Commercial - Heavy Strength	18.72	11.66	3.58	15.24

WATER TOTAL MONTHLY SERVICE RATES FOR FISCAL YEAR 2020/21

Meter Size	Fixed Monthly Service Charge	Plus, Volumetric Consumption Charge per HCF	Plus, Pass-through Volumetric Consumption Charge per HCF	Total Water Volumetric Consumption Charge per HCF
5/8 inch	\$ 26.07	\$4.00	\$0.38	\$4.38
3/4 inch	37.85	4.00	0.38	4.38
1 inch	61.42	4.00	0.38	4.38
1-1/2 inch	120.33	4.00	0.38	4.38
2 inch	191.02	4.00	0.38	4.38
3 inch	379.54	4.00	0.38	4.38
4 inch	591.62	4.00	0.38	4.38
6 inch	1,180.73	4.00	0.38	4.38

Pass Through Frequently Asked Questions

On June 23, 2020, the Humboldt Community Services District (HCSD) Board of Directors reluctantly approved passing through increased water costs from Humboldt Bay Municipal Water District (HBMWD)/City of Eureka (COE) and increased sewer costs from COE to District water and sewer customers. Below are answers to frequently asked questions regarding this pass-through.

What is a pass-through? A “pass-through” recovers increased charges to HCSD by wholesalers above those expected when HCSD calculated its current water and sewer rates. For sewer services, these include: wholesale charges for wastewater treatment as well as a percentage of the the wastewater treatment plant, Martin Slough interceptor, and the COE’s other operating and maintenance charges. Water pass through services include: wholesale charges for the purchase of potable water from HBMWD and COE. HCSD is authorized to pass these costs on to its customers by Government Code section 53756, to ensure its water and wastewater rate revenue is enough to meet its cost to serve its customers.

What is the difference between a “rate increase” and a “pass-through”? The last water and sewer rate increases HCSD approved were based upon an extensive analysis of the costs to operate, maintain and improve HCSD’s 114 miles of water mains, 75 miles of sewer mains, 28 sewer lift stations (pumps), 10 water storage tanks, 13 water pumping stations and three water wells to provide water and sewer service to over 22,000 residents in HCSD’s 15 square-mile service area. This analysis also projected the wholesale charges to HCSD for both purchase of water and sewer treatment. When costs exceed the amount projected in a rate study, the State has developed a process by which HCSD can recover those “additional” costs. This process is commonly known as a “pass-through” as HCSD can only “pass-through” the actual costs to the ratepayers, and nothing more.

When does this pass-through start? This pass-through will begin appearing on monthly bills in August 2020 through July 2021.

How long will I have to pay for this pass-through? This pass-through will only be charged for 12 months starting in August 1, 2020 and ending July 31, 2021.

Will there be future pass-throughs? We don’t know. HCSD can only pass-through costs in excess of those used to set rates in the rate study. While that study was thorough and complete, we cannot predict the future perfectly. We do not know of any new charges at this time, nor can we predict what other outside agencies may charge in the future.

Why am I getting a notice for the pass-through increase? Government Code section 53756 requires the District to notify its customers at least 30 days before a rate increase.

Have additional questions about the pass-through fees? For more information, please call (707) 443-4550 and ask for our Interim-General Manager, Tim Latham.