

**NOTICE OF PUBLIC HEARING
PROPOSED WATER RATE INCREASE**

**June 13, 2017 at 5 P.M.
Humboldt Community Services District
5055 Walnut Drive
Eureka, CA 95503**

Notice is hereby given that at the date, time, and place shown above, the Board of Directors of the Humboldt Community Services District will hold a public hearing to consider proposed increases to water rates for the next five (5) years (Fiscal Years 2017/18 through 2021/22). If approved by the Board of Directors, rates will increase effective August 1, 2017.

The District charges water rates to fund its costs to provide water service, including operating costs and the cost to purchase water from the Humboldt Bay Municipal Water District and the City of Eureka. The increases will enable the District to continue delivering safe and reliable water service and to perform needed capital improvements such as drilling new well, replace pump stations, refurbish tanks, conduct a system-wide leak survey, and replace water lines, among other important projects.

Customers pay water bills based on a monthly fixed service charge (\$/month) and a volumetric charge for the amount of water consumed (\$/hundred cubic feet (hcf) which is 748 gallons¹), as shown in the rate table below. The “Proposed % Increases in Total Annual Rate Revenue” shown in this table are percentage increases in total annual District rate revenues. Depending on customer class, the actual percentage increase may vary in FY 2017/18; thereafter, percentage increases are applied uniformly to all charges. Water charges are billed monthly. The District has other charges that are not listed in the table below and are not changing.

Water Rate Schedule	Current Rates		Proposed Rates				
			FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
<i>Projected Increase in Rate Revenue per Financial Plan:</i>			39.00%	7.00%	3.00%	2.00%	1.50%
Fixed Service Charge (by Meter Size) (1)							
Monthly Fixed Service Charges:	<i>Category 1</i>	<i>Category 2</i>					
5/8 inch	\$16.30	\$20.95	\$23.19	\$24.81	\$25.56	\$26.07	\$26.46
3/4 inch	\$20.95	\$25.55	\$33.67	\$36.03	\$37.11	\$37.85	\$38.42
1 inch	\$27.85	\$32.60	\$54.63	\$58.46	\$60.21	\$61.42	\$62.34
1 1/2 inch	\$55.85	\$60.50	\$107.04	\$114.53	\$117.97	\$120.33	\$122.13
2 inch	\$92.95	\$97.65	\$169.93	\$181.82	\$187.28	\$191.02	\$193.89
3 inch	\$207.95	\$214.95	\$337.62	\$361.26	\$372.09	\$379.54	\$385.23
4 inch	\$367.40	\$374.00	\$526.28	\$563.12	\$580.02	\$591.62	\$600.49
6 inch	\$817.65	\$817.65	\$1,050.34	\$1,123.86	\$1,157.58	\$1,180.73	\$1,198.44
Volumetric Charges for All Water Consumed							
Uniform Rate (per hcf)	\$2.30		\$3.56	\$3.81	\$3.92	\$4.00	\$4.06

1. The most common meter size for Residential customers is a 5/8 inch meter.

The Board of Directors will also consider approving a pass-through charge of increased wholesale costs in future years (these adjustments may vary from year-to-year). If approved, the District may adjust volumetric rates (\$/hcf) each July 1st until July 1, 2021 based on the following formula²:

New Volumetric Surcharge (\$/hcf) = Volumetric Rate (from table above) x ((A / B) – 1), where

A = Water purchase costs, including increases adopted by wholesalers

B = Previous year water purchase costs

If the Board of Directors approves this formula, it will not need to hold additional public hearings to adjust rates under the formula over the next five years, although approvals will occur at noticed District Board meetings.

Written protests from water customers or property owners may be submitted in writing before the closing of the June 13, 2017 public hearing. Protests may be mailed to the District, hand-delivered to the District office, or brought to the public hearing. Protests will be accepted and counted using procedures the Board of Directors adopted on May 12, 2009, a copy of which are posted to the District’s website at www.humboldtcsd.org and can be reviewed in the District office. Under California Government Code section 53755(a)(3)(b), **only one written protest will be counted per parcel.** If protests are received from property owners or customers with respect to a majority of the affected parcels (50 percent plus one), then the Board cannot approve the proposed rate increases. **To be counted, a protest must be signed, include the address of the owner or customer submitting the protest, be timely submitted, state that it is protesting the proposed water rate increase, and otherwise comply with the District’s protest procedures.** You may contact the District at 707-443-4550 or by email at dhull@humboldtcsd.org if you have any questions about this notice or the proposed water rate increase.

Address written protests as follows: **HCS D – Water Rate Protest**
Post Office Box 158
Cutt en, Ca 95534

¹ HCF means “one hundred cubic feet” and is 748 gallons of water.

² Although the District intends to adjust rates as of August 1st each year, adjustment may occur at other times if wholesale water costs are increased after July 1 in some years.