

**DEL REY COMMUNITY SERVICES DISTRICT**  
**NOTICE OF PUBLIC HEARING**  
**Regarding Proposed Water, Sewer, and Solid Waste Rate Increases**

The Board of Directors of Del Rey Community Services District ("District") will conduct a public hearing to consider proposed water, sewer, and solid waste rate increases. The date, time, and location of the public hearing is:

<b>Date:</b>	Thursday, March 21, 2024
<b>Time:</b>	6:00 pm
<b>Location:</b>	American Legion Hall, 10649 E Morro Avenue, Del Rey, CA 93616
<b>Zoom:</b>	<a href="https://zoom.us/j/96876279240">https://zoom.us/j/96876279240</a>
<b>Phone:</b>	669-900-9128 Meeting: 96876279240 Code: 993192

This Notice is being furnished to you by the District pursuant to the California Constitution, Article XIII D (also known as "Proposition 218"), which requires that the District notify property owners of proposed increases to property-related fees, such as fees for water, sewer, and solid waste. This serves as notice that the Board will conduct a public hearing to consider recommended increases in the amounts set forth below and in the attachments to its water, sewer, and solid waste rates. At the hearing, the Board will hear and consider objections and protests to the proposed increases described in this Notice.

**Rate Study Report:** A Rate Study Report ("Report") by IGService, dated December 21, 2023, describes the details of the water, sewer, and solid waste rate changes and the method used to calculate the rate changes, and the contents have been submitted to the Board. The Report includes the research, reasoning, and analysis behind the proposed adjustments. The Report is incorporated into this Notice by reference and will be addressed at the Public Hearing. The Report is available at the District's office, 10649 E. Morro Avenue, Del Rey, CA 93616, as well as the District's internet website at [www.delreycsd.com](http://www.delreycsd.com).

**Amount of Proposed Modified Rates:** The details of existing and proposed rates are included in this Notice. Examples of rate changes are shown below.

Single-Family Homes: For a typical home paying the fixed monthly water rate of \$20.29, the water rate will increase 117 percent to \$44.03 per month in the first year, then by three percent each of the next four years to follow inflation. The sewer rate will not increase in the first or second year, but then increase in the third, fourth, and fifth years like water.

Commercial and Industrial Water: All other water rates are increased 241 percent in the first year, then by three percent each of the next four years to follow inflation. The monthly fixed cost of \$6.66 for meter replacement is removed and combined with overall commercial water rates.

Commercial and Industrial Sewer: Generally, commercial sewer service rates do not increase in the first year, but then increase by one percent in the second year, and three percent in the third, fourth and fifth years. Industrial sewer rates based on flow rates and discharge concentrations are increased 31 percent in the first year.

Refuse Rates are not increased as a result of the Report; however, annual inflationary increases must continue each July 1<sup>st</sup> following the increases imposed by the District's contracted waste handling company.

**Reasons for the Needed Increases:** The District previously attempted to increase water and solid waste rates in January 2020, but a majority protest prevented the rate increase. District expenses have now been reduced to a minimum, yet the District's operating costs continue to increase and ongoing water, sewer, and solid waste services must be provided to our community in a safe and reliable manner. Presently, the District is losing money each month. The District is borrowing money to cover operating expenses that must be paid back. If a majority protest occurs a second consecutive time, the District Board must again begin the rate

increase process to be able to cover expenses, each time costing the District time and money to move through the process. Please know, the proposed rates are set only high enough for the District to provide safe and reliable service. Specifically, the proposed rates do not exceed the proportional cost of providing each service. If you are a resident unable to afford your monthly utility bill, please contact the District office for resources such as low-income rate assistance.

For water, the primary reason for the needed overall revenue increase is to meet the District's obligation as a party to the Joint Powers Association ("JPA") agreement with the Cities of Fowler, Kingsburg, Parlier, and Sanger for the South Kings Groundwater Sustainability Agency ("SKGSA"), under the Sustainable Groundwater Management Act ("SGMA"). As a member of the SKGSA, the District is obligated to contribute its share of funds for the purchase of surface water from Consolidated Irrigation District, for the purpose of groundwater recharge that will help meet the SKGSA's sustainability obligations under SGMA.

For sewer, the overall revenue increase is needed primarily to cover ongoing inflation. For both water and sewer, cost-of-service adjustments have been made for more fairness across customer classes, which are impacting larger customers more than smaller.

Solid waste rates will increase once each year to follow inflation based exactly on the increase imposed on the District by its contracted waste hauler.

Details of the rate changes can be found in the Report.

**How to Submit a Protest.** Protests may be submitted by the record owner of an affected parcel, or a tenant who is a customer-of-record of the parcel and subject to the proposed rates, but only one protest per parcel will be counted. Written protests must contain a clear statement that it is a protest against the proposed increases, identify which utility (i.e. water, sewer, and/or solid waste) increase is protested, and it must include the name of the owner or customer of record, a description of the parcel or parcels (Assessor's Parcel Number or street address) and an original signature of the owner or customer of record. Written protests regarding the proposed rate changes may be mailed or personally delivered to the District Office at: Del Rey Community Services District, 10649 E. Morro Avenue, Del Rey, CA 93616. To be valid, a protest must be in writing and received at the District Office no later than 4 P.M. on the date of the hearing or, if presented at the hearing itself, before the close of the public hearing on March 21, 2024. Fax, e-mail, or copies of protests are not acceptable and will not be counted. (Protest forms may be obtained from the District Office.)

**Procedure for Hearing and Determining a Majority Protest:** Members of the public are welcome to attend the public hearing regarding the proposed rate changes and will have an opportunity to speak and give testimony; however, only written protests as described below count toward a majority protest. The Board will hear and consider all objections and protests, if any, to the proposed increases and other matters described in the Report. The Board may continue the hearing from time to time. At the close of the hearing, if written protests against the proposed increases are presented and not withdrawn by a majority of the record owners (or customers-of-record) of the parcels which would be subject to the increases, the District may not impose the increased rates; instead, rates would continue at their existing levels. If, at the close of the protest hearing, there is no majority protest as described above, the Board may approve the increases, as proposed, to be effective April 1, 2024.

**Legal Challenges:** If the Board adopts the proposed rates, you are hereby notified, pursuant to Government Code, section 53759, that any judicial action or proceeding to attack, review, set aside, void, validate, or annul the Board's adoption of the proposed rates must be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the resolution adopting the rates.

**Additional Information:** Please direct questions about the proposed rates to the District Office at 559-888-2272.

Proposed water rates are shown in the table below. For metered customers, the total water service monthly charge includes the Fixed Charge plus the Volumetric Charge multiplied by the quantity of water used.

Del Rey CSD Water Rates and Charges							
	Current Rates	Proposed Rates					
		4/1/2024		4/1/2025	4/1/2026	4/1/2027	4/1/2028
		Percent Change	New Rate	3%	3%	3%	3%
<b>Unmetered Customers (\$/Mo)</b>							
Single-Family	\$20.29	117%	\$44.03	\$45.35	\$46.71	\$48.11	\$49.55
Small Commercial	\$32.16	117%	\$69.79	\$71.88	\$74.04	\$76.26	\$78.55
<b>Metered Customer Fixed Charge (\$/Mo)</b>							
Commercial 1 (1" Meter)	\$13.98	241%	\$47.67	\$49.10	\$50.57	\$52.09	\$53.65
Commercial 3 (2" Meter)	\$44.68	241%	\$152.36	\$156.93	\$161.64	\$166.49	\$171.48
Commercial 4	\$102.74	241%	\$350.34	\$360.85	\$371.68	\$382.83	\$394.31
Commercial 5 (4" Meter)	\$139.60	241%	\$476.04	\$490.32	\$505.03	\$520.18	\$535.79
Commercial 6 (8" Meter)	\$558.34	241%	\$1,903.94	\$1,961.06	\$2,019.89	\$2,080.49	\$2,142.90
<b>Metered Customer Volume Charge (\$/HCF)</b>	\$0.85	241%	\$2.90	\$2.99	\$3.08	\$3.17	\$3.27
<b>Commercial/Industrial Meter Charge (\$/Mo)</b>	\$6.66	Ended					

Proposed sewer rates are shown in the table below. For industrial customers, the monthly billing amount must be manually calculated based on flow and concentration of discharge.

Del Rey CSD Sewer Rates and Charges											
	Current Rates	Proposed Rates									
		4/1/2024		4/1/2025		4/1/2026		4/1/2027		4/1/2028	
		Percent Change	Rate	Percent Change	Rate	Percent Change	Rate	Percent Change	Rate	Percent Change	Rate
<b>Single-Family</b>	\$65.37	0%	\$65.37	0%	\$65.37	2%	\$66.68	3%	\$68.68	3%	\$70.74
<b>Duplex</b>	\$130.74	0%	\$130.74	0%	\$130.74	2%	\$133.35	3%	\$137.36	3%	\$141.48
<b>Apartments (per dwelling unit)</b>	\$51.82	0%	\$51.82	0%	\$51.82	0%	\$51.82	1%	\$52.34	3%	\$53.91
<b>Commercial Rates</b>											
Commercial 2	\$127.82	0%	\$127.82	1%	\$129.10	3%	\$132.97	3%	\$136.96	3%	\$141.07
Commercial 3	\$1,289.96	0%	\$1,289.96	1%	\$1,302.86	3%	\$1,341.95	3%	\$1,382.20	3%	\$1,423.67
Commercial 5	\$1,661.66	0%	\$1,661.66	1%	\$1,678.28	3%	\$1,728.62	3%	\$1,780.48	3%	\$1,833.90
Commercial 6	\$2,353.22	0%	\$2,353.22	1%	\$2,376.75	3%	\$2,448.05	3%	\$2,521.50	3%	\$2,597.14
Commercial 4	\$10,225.60	0%	\$10,225.60	1%	\$10,327.86	3%	\$10,637.69	3%	\$10,956.82	3%	\$11,285.53
<b>School</b>											
Per Student (based on 270 students)	\$9.48	-39%	\$5.46	0%	\$5.46	0%	\$5.46	0%	\$5.46	0%	\$5.46
<b>Sewer Metered (based on discharge volume)</b>											
Fixed Charge (\$/Mo)	\$15.42	324%	\$65.37	3%	\$67.33	3%	\$69.35	3%	\$71.43	3%	\$73.57
Volume Charge (\$/HCF) over 700 CF	\$2.90	125%	\$6.53	3%	\$6.73	3%	\$6.93	3%	\$7.14	3%	\$7.35
<b>Industrial Rates</b>											
Fixed Charge (\$/Mo)			\$500.00	3%	\$515.00	3%	\$530.45	3%	\$546.36	3%	\$562.75
Volume Charge (\$/HCF)			\$4.81	3%	\$4.95	3%	\$5.10	3%	\$5.26	3%	\$5.41
Biochemical Oxygen Demand (\$/lb-BOD)	Custom	31%	\$1.05	3%	\$1.08	3%	\$1.11	3%	\$1.15	3%	\$1.18
Total Suspended Solids (\$/lb-TSS)			\$2.83	3%	\$2.91	3%	\$3.00	3%	\$3.09	3%	\$3.19

Solid Waste rates are proposed to be changed each year of the five-year planning period based exactly on the Consumer Price Index (CPI) increase, as specified in the District's Solid Waste Hauling Agreement with Industrial Waste & Salvage Company. The next CPI increase will be in July 2024.