

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **8.E.**

FROM: Matthew McElhenie, General Manager

Meeting Date: June 15, 2023

Subject: Discussion and Consideration of
2023/2024 Rate Adjustments to Water
and Sewer Rates and of Adoption of
Resolution 37-2023 Establishing Said
Rates

RECOMMENDATIONS:

It is recommended that the Board of Directors discuss and consider water and sewer service rate adjustments as set forth in Resolution 32-2022, which adopted new water and sewer rates effective July 1, 2022, and adoption of Resolution 36-2023 establishing said rates.

FISCAL IMPACT:

The proposed water and sewer rate adjustments are necessary to provide adequate revenue to fund the annual costs of water and sewer operations, and were approved on May 19, 2022, by Resolution 32-2022, which directed the Board to review subsequent annual increases prior to implementation.

DISCUSSION:

At its May 19, 2022, meeting, the Board of Directors adopted Resolution 32-2022, approving new water and sewer rates, effective July 1, 2022, and subjecting future annual rate adjustments to annual review and approval by the Board of Directors before implementation.

As outlined at the March 17, 2022 meeting, existing CCSD water and sewer rates are inadequate to fund the normal operating costs of the water and sewer utility systems. As outlined in the attached Notice of Public Hearing (the "Notice"), the increases are necessary because the CCSD's water and sewer utilities rely primarily on revenues from service charges to fund service costs. As such, water and sewer rates must be set at levels adequate to fund the costs of operating and maintaining the District's water and sewer utility systems to support safe and reliable service.

The Notice also indicated that the key factors driving the need for rate increases included: a need to restore balanced budgets to bring revenues back in line with the costs of providing service and restore financial stability, to help fund critical improvements to aging infrastructure, to help fund the District's highest-priority water and sewer system capital needs, to provide a minimal prudent level of funding for repairs, replacements, and rehabilitation of aging infrastructure, and, in years four and five, to provide for small annual rate increases to keep revenues in line with future cost inflation.

Attachments: Resolution 37-2023 – Amended 6/12/2023

Adopted Resolution 32-2022

5/19/2022 Notice of Public Hearing on Proposed Increases to Water & Sewer Rates