

Mission Hills CSD Public Forum

JUNE 27, 2016

Public Forum Objectives

2

- ▶ District Accomplishments over the past year and projects for the future
- ▶ Current Goals and Objectives
- ▶ Review Past Revenue/ Expenditures and the Existing Rate Structure
- ▶ Introduce the Rate Restructure and Increase
- ▶ Demonstration of Bill Calculations
- ▶ Timing of the Rate Increase

District Accomplishments 2015/16

WATER

- ▶ Maintenance and improvement to the Districts' wells and water treatment plant.
- ▶ Ongoing repairs of the aging infrastructure.
- ▶ Replacement of mechanical water meters with automatic meter reading meters (AMR).

District Accomplishments 2015/16

Wastewater

- ▶ Ongoing maintenance to the Districts' wastewater collection system, wastewater treatment plant , lift station, and back-up ponds.
- ▶ Main Sewer Trunk Line Replacement completed.
- ▶ The goat herd is continuing to assist the District in weed abatement.

Key District Priorities

- ▶ Notice of Violation (NOV)
- ▶ Kavian Agreement with the State of California
- ▶ Pond #1 liner replacement
- ▶ Stabilize the Districts' financial position

Why is the Rate Increase Needed ?

- Aging infrastructure
- Rising costs of supplies, energy and maintenance
- Assurance of reliable service at the lowest possible cost
- Offset markedly reduced water usage
 - California drought news/ Governor's mandates
 - Negative impact of current rate structure
 - Negative impact of winter averaging (wa)

Projects for the future

7

WATER	ESTIMATED COST	COMPLETION DATE
VALVE & MAIN LINE	\$103,900	ONGOING
WATER METER REPLACEMENT PROGRAM	\$24,400	ONGOING
UPDATE FILTRATION PLANT	\$62,800	2016
BACKUP GENERATOR FOR WELLS AND TREATMENT PLANT	\$65,600	BY 2021

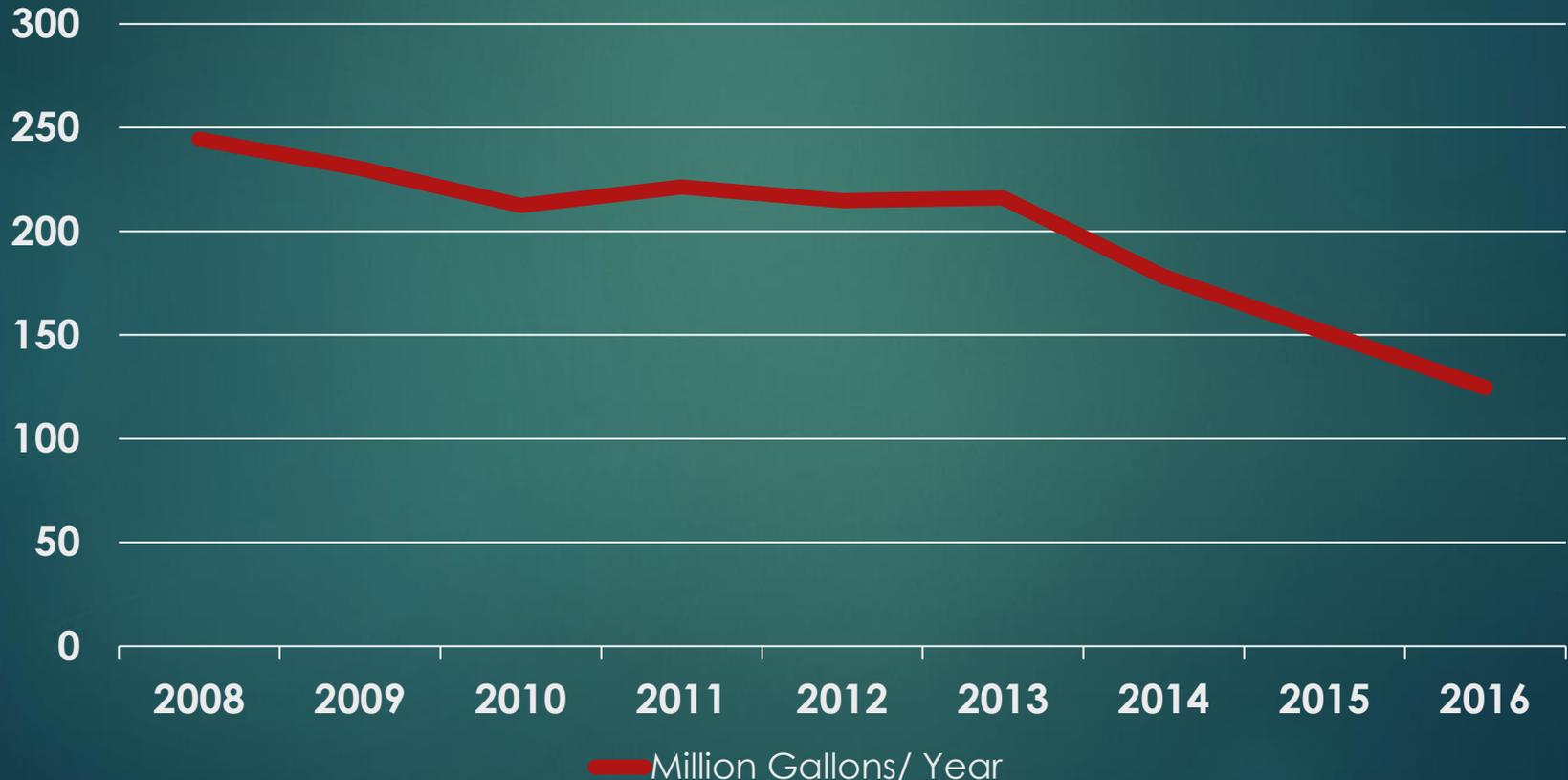
WASTEWATER	ESTIMATED COST	COMPLETION DATE
SLIP LINE MAIN LINES	\$54,700	ONGOING
POND #1 LINER	\$538,700	BY 2020
SCADA SYSTEM INTEGRATION	\$33,800	BY 2020
SEWER MAIN ASSESSMENT	\$82,100	BY 2021

Water Usage Trends

8

Total Reduction – 43%

Million Gallons/ Year



Deficiencies of the Current Rate Structure

- ▶ Failed to collect the revenue intended (fixed vs variable)

	2003-2011	2012-2016	Proposed Rates
Water Income			
Fixed	53%	53%	60%
Usage	47%	47%	40%
Sewer Income			
Fixed	100%	7%	100%
Variable – winter avg	--	93%	--

Overview of District's Financial Position

10

Fiscal Year	Revenue	Expenses	Net Gain / (loss)	Interest
2011	\$ 1,203,116	\$ 1,574,901	\$ (347,234)	\$ 24,551
2012	\$ 1,281,178	\$ 1,664,613	\$ (363,290)	\$ 20,145
2013	\$ 1,524,512	\$ 1,695,363	\$ (163,452)	\$ 7,399
2014	\$ 1,490,747	\$ 1,628,461	\$ (123,459)	\$ 14,255
2015	\$ 1,488,776	\$ 1,683,113	\$ (151,963)	\$ 42,374
2016 (est)	\$ 1,428,524	\$ 1,734,071	\$ (239,576)	\$ 65,971

Budget Inflation to Current

11

- ▶ Fiscal Year 2011 Actual Expenditures to reflect CPI Increase:
 - ▶ \$2.2 million

- ▶ Fiscal Year 2017 Budget Expenditures:
 - ▶ \$1.7 million

Prior Wastewater Rates

12

- 2003 – 2011 fixed rates were \$31.50
- 2016 – 2017 proposed fixed rates \$47.80
- 2003 – 2016 as adjusted for inflation \$59.30

Inflation was calculated using the Bureau of Labor Statistics CPI for Water and Sewer and Trash Collection Services

Utility Rate Comparisons

13

¾" meter – 10 HCF monthly water usage – 10 HCF winter averaging sewer usage (if applicable)

■ Water ■ Wastewater



MHCSD Bill Comparison

3/4 inch	Via Cortez	Current		Proposed	
Water	Flat	\$28.59		\$37.56	
12 units	Consumption	<u>\$22.16</u>		<u>\$25.44</u>	
		\$50.75		\$63.00	24%
Wastewater	Flat	\$7.23		\$47.80	
8 units	Consumption	<u>\$25.84</u>		<u>-</u>	
		\$33.07		\$47.80	45%
	Street Sweeping	<u>\$1.32</u>		<u>\$1.32</u>	
	Total	\$85.14		\$112.12	32%

MHCSD Bill Comparison

15

1 inch	Courtney Drive	Current		Proposed	
Water	Flat	\$31.82		\$41.91	
25 units	Consumption	<u>\$55.50</u>		<u>\$53.00</u>	
		\$87.32		\$94.91	9%
Wastewater	Flat	\$7.23		\$47.80	
11 units	Consumption	<u>\$35.53</u>		<u>-</u>	
		\$42.76		\$47.80	12%
	Street Sweeping	<u>\$1.32</u>		<u>\$1.32</u>	
	Total	\$131.40		\$144.03	10%

Proposed 5-Year Rates

WATER – Residential

16

Monthly <u>Fixed</u> Charge	September 1, 2016-17	July 1, 2017-18	July 1, 2018-19	July 1, 2019-20	July 1, 2020-21
Meter Size					
5/8"	\$37.56	\$39.06	\$40.62	\$42.25	\$43.94
1"	\$41.91	\$43.58	\$45.33	\$47.14	\$49.03

Monthly <u>Variable</u> Charge	September 1, 2016-17	July 1, 2017-18	July 1, 2018-19	July 1, 2019-20	July 1, 2020-21
Uniform Volume	\$2.12	\$2.21	\$2.30	\$2.40	\$2.50

Proposed 5-Year Rates

WASTEWATER – Residential

17

Monthly <u>Fixed</u> Charge	September 1, 2016-17	July 1, 2017-18	July 1, 2018-19	July 1, 2019-20	July 1, 2020-21
Residential	\$47.80	\$51.62	\$55.75	\$60.21	\$65.03

Customer Outreach

18

▶ Meetings

- ▶ Annual Public Forum (May of each year)
- ▶ Monthly Board Meeting (Third Wednesday of each month). Announcement signs posted monthly.

▶ Website

- ▶ www.mhcsd.org

▶ Facebook

- ▶ Mission Hills Community Services District

▶ Informational Mailers

Questions and Answers