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Mission Hills

Community Services District

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FACT SHEET

Water, Sewer and Street Sweeping Rates

Since the District mailed out the Notice of Public Hearing regarding the proposed rate increases, the District has received many inquiries regarding the proposed rate increases. With this informational piece, the District hopes to answer some of the questions that have been asked.

The District's financial position is a result of many different factors that have occurred over the past few years. We have experienced increased operating expenses, decreased interest income, the gain and removal of capital assets and the depreciation of capital assets. Currently the District is constant in both its revenue base and customer base, meaning there is no anticipated growth or additional income in the near future. The overall economic trend has been in a negative direction, yet the District has been able to hold its rates constant for both water and wastewater for the past seven years. This has been accomplished through the judicious use of the rate stabilization funds, careful cost control, and the use of reserve funds.

As a District and Community, we have had many significant economic events take place over the past few years, including upgrades to the District's infrastructure. The District constructed two new wells and has replaced aging equipment. These projects cost the District more than 1.4 million dollars. In this year alone, the District has been faced with major repairs to Well #6, replacement of the pond liner in Pond #2, and a regulatory action (Notice of Violation) from the California Regional Water Quality Control Board concerning the Wastewater Treatment Plant. This has resulted in large construction projects to replace and upgrade the failed infrastructure, as well as an increase in legal expenses in order to respond to the requirements of the Regional Water Quality Control Board. To date, the total cost of upgrading the Wastewater plant and replacing the liner material in Pond #2 has cost the District over \$625,000. Unfortunately, the Notice of Violation is still an ongoing issue with an unknown total cost. The District paid for all of these improvements from reserve accounts and has avoided the additional cost of financing

these projects. Over 20% of this year's budget was supported by using Reserve funds, that had been put aside for future replacement of our aging physical plant as required by State law.

We understand that the costs for everything is going up, unfortunately that means increased costs for the District as well. We have seen increases in all aspects of operations, including the rising cost of electricity and natural gas needed to operate the facilities, increased costs associated with the operation of utility vehicles, ongoing maintenance of infrastructure, increased labor costs, and increased costs associated with meeting more stringent State and Federal regulations. These rising costs make it more costly to produce and treat the water we receive from the on-site wells, as well as the collection and treatment of wastewater. We are an enterprise District and receive no property tax money to operate the District. Our only revenue is from our utility fees and interest on our reserve funds. The revenue received by the District from utility fees does not and may not exceed the cost to the District of providing the service. The current rates do not cover the District's cost of providing the service, as is more thoroughly discussed in the Rate Study on file at the District. The District has been working very hard to spend money only as needed and has made cut backs everywhere possible. If you have any questions we welcome you to view our web-site at www.mhcsd.org where you can view the rate study or contact the District General Manager, Michael Riley, at 805-733-4366 x201.

In an effort to further respond to questions raised regarding other utility providers and questions about the proposed rates, below is a rate comparison of other water and sewer providers as well as sample billing information.

Utility Rate Comparison

1 unit = 748 gallons of water

PROPOSED (RESIDENTIAL) UTILITY RATES MISSION HILLS CSD

Water Billing Basic	Water Billing Units	Sewer Billing Basic	Sewer Billing Units
¾ inch \$26.46	1-10 units \$1.61	Flat Fee \$6.69	Per unit of water from average unit water consumption from Dec. Jan. and Feb. - \$2.99 per unit
1 inch \$29.45	11-20 units \$2.25		
	21-30 units \$2.57		
	30+ units \$3.05		

CITY OF PISMO BEACH UTILITY RATES

Water Billing Basic	Water Billing Units	Sewer Billing Basic	Sewer Billing Units
Flat fee \$15.95	1-12 units \$2.30 13+ units \$2.99	Flat fee \$39.49	

CITY OF SOLVANG RESIDENTIAL UTILITY RATES

Water Billing Basic	Water Billing Units	Sewer Billing Basic	Sewer Billing Units
¾ inch \$93.54 1 inch \$155.00	0-1600 units \$2.85 1600+ units \$3.35	Flat fee \$32.48	

CITY OF LOMPOC UTILITY RATES

Water Billing Basic	Water Billing Units	Sewer Billing Basic	Sewer Billing Units
Flat fee \$23.04	Per unit \$2.75		Per unit of water Consumption from average unit water consumption from Jan, Feb, March \$5.58 per unit

VANDENBERG VILLAGE UTILITY RATES

Water Billing Basic	Water Billing Units	Sewer Billing Basic	Sewer Billing Units
¾ inch \$22.89 1 inch \$27.63	1-10 units \$1.19 11-17 units \$1.37 18-49 units \$1.55 50+ units \$2.38	Flat fee \$65.75	

Sample Bill of Proposed Rate

Comparison on 1 inch meter					
		New Bill for 21 units		Old Bill for 21 units	
Water Basic		\$29.45	1 inch water service	\$20.75	1 inch water service
Water Usage	tier 1	\$16.10	\$1.61 per unit (1-10 units)	\$9.00	\$0.90 per unit (1-10 units)
	tier 2	\$22.50	\$2.25 per unit (11-20 units)	\$12.50	\$1.25 per unit (11-20 units)
(21 unit example)	tier 2	\$2.57	\$2.57 per unit (21-22 units)	\$1.45	\$1.45 per unit (21-22 units)
		\$25.07	total unit cost	\$13.95	total unit cost
Sewer Basic		\$6.69	flat charge	\$0.00	
Sewer (11 unit example avg based on Dec- Feb water usage)		\$32.89	take average water units from December, January and February, then multiply that by \$2.99 per unit	\$31.50	flat charge
Street Sweeping		\$1.32	pass through cost with current company	\$1.10	pass through cost with prior company
Rate Stabilization		\$0.00		\$4.65	flat charge
TOTAL		\$95.42	New Bill	\$71.95	Old Bill