

Rancho Murieta Community Services District

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March 29, 2019

RANCHO MURIETA, CA 95683

PROPOSED RATE INCREASE NOTICE OF PUBLIC HEARING

The Rancho Murieta Community Services District (the "District") will hold a public hearing on May 15, 2019, at no earlier than 6:00 p.m. during their Regular Board meeting at the District Administration Building located at 15160 Jackson Road in Rancho Murieta on proposed increases to District rates for water, wastewater (sewer), and solid waste collection services, and special taxes for drainage and security services. You are receiving this notification in compliance with Proposition 218's requirement that all impacted rate payers receive written notice of proposed rate changes 45 days prior to a public hearing.

The Rancho Murieta Community Services District (the "District") is proposing a rate adjustment for all residential and commercial customers effective July 1, 2019. This proposal will be considered by the District Board of Directors at a public hearing occurring no earlier than 6:00 pm during the Regular Board meeting on May 15, 2019.

Why are the rates changing?

The proposed rate increases are based on the projected budget for the 2019-20 fiscal year. **The actual rate increases may be less than but in no case more than the proposed rates provided in this notice.** For a majority of area residents, the proposed budget results in 5.41% increase (approximately \$9.54 per month) to the average residential bill for all services: water, sewer, drainage, security and solid waste.

For the District, operational costs are anticipated to increase 5.8%, or \$376,085, for fiscal year 2019-20, versus the prior year's budget. This is largely due to increases in the items listed below:

- Wages and employer costs – 6.4%
- Medical premiums – 5%
- SMUD electric rates – 4.75%
- Solid waste contract rates – 4.21%
- Legal expenses related to water rights permit renewal – 38%
- Liability and Workers Comp Insurance – 32%
- Improvements to District financial systems – 15%
- Increases in Dam Inspection fees – 20%

The proposed rate increase also includes Capital Replacement Reserve contributions of \$579,559, which is an increase of 1.5%, or \$8,378 over the prior year's budget.

District Maintaining Focus on Cost Efficiency

The District remains committed to providing superior community services efficiently and professionally at a reasonable cost. The District is working diligently to identify cost savings where possible to reduce the rate increase impact on all residential and non-residential customers.

How can I protest the proposed rates?

The owner of record of any parcel wishing to protest the proposed rate increases may mail or deliver a signed written protest to the District. Protests must be submitted in writing even if you plan to speak at the public hearing. Written letters of protest must be received at the District prior to the close of the May 15, 2019 public hearing. Email protest letters will not be accepted. Protests must contain your name and a description of the property in which you have an ownership interest. A street address and/or the assessor's parcel number are sufficient descriptions. If you were not the owner of record as of Sacramento County's last tax roll, your protest must contain written evidence that you presently own the property.

If a majority of the affected parcel owners submit written protests, the proposed rates will not go into effect. Only one protest per parcel shall be counted.

Written protests should be mailed to:

Rancho Murieta Community Services District
 Attn: Director of Administration
 P.O. Box 1050
 Rancho Murieta, CA 95683

or hand-delivered to Rancho Murieta Community Services District Administration Office at 15160 Jackson Road.

How will the rate changes impact my monthly bill?

WATER

The proposed 2019-20 monthly bill increase for an average consumption residential metered lot is projected to be \$5.73 or 8.5%.

	Current Rate 2018-19	Proposed 2019-20
Base Charge (w/o reserve contribution)	\$34.52	\$37.97
Reserve Contribution	\$7.75	\$7.75
Total Base Charge	\$42.27	\$45.72
Debt Service Charge (repay internal borrowing)	\$6.00	\$6.00
Usage Charge (per cf)	\$.0175	\$.0191
<ul style="list-style-type: none"> Non-residential customers are charged one base charge per month per meter plus the reserve contribution times their Water EDU (equivalent dwelling unit) value plus usage 		

SEWER

The proposed 2019-20 monthly bill increase for a residential metered lot is projected to be \$2.36 or 5.0%.

	Current Rate 2018-19	Proposed 2019-20
Base Charge (w/o reserve contribution)	\$40.41	\$42.77
Reserve Contribution	\$6.76	\$6.76
Total Base Charge	\$47.17	\$49.53
<ul style="list-style-type: none"> Non-residential customers are charged the base charge plus the reserve contribution times their Sewer EDU (equivalent dwelling unit) value 		

DRAINAGE

The proposed 2019-20 monthly bill increase for an average consumption residential metered lot is projected to be \$0.10 or 2.0%.

Developed Property	Current 2018-19	Proposed 2019-20	Max Rate 2019-20
Residential (per lot)			
Metered	\$5.12	\$5.22	\$5.22
Unmetered	\$5.12	\$5.22	\$5.22
The Villas	\$3.42	\$3.49	\$3.49
Murieta Village	\$3.42	\$3.49	\$3.49
Non-Residential (per acre)			
1 Retail	\$25.591	\$26.103	\$26.103
2 Industrial/Whse	\$27.188	\$27.732	\$27.732
3 Light Industrial	\$20.790	\$21.206	\$21.206
4 Office	\$23.991	\$24.471	\$24.471
5 Landscape (golf course/park sites)	\$4.799	\$4.895	\$4.895
6 Murieta Equestrian Center	\$1.852	\$1.889	\$1.889
7 RMCC (club house and parking)	\$0.000	\$0.000	\$0.000
8 Airport	\$2.132	\$2.175	\$2.175
9 Geyer Property	\$15.993	\$16.313	\$16.313
10 Hotel/Ext Stay	\$25.591	\$26.103	\$26.103
Undeveloped Property			
Residential & Non-Residential	\$3.020	\$3.080	\$3.080

SECURITY

The proposed 2019-20 monthly bill increase for a residential metered lot inside the RMA gates is projected to be \$0.58 or 2.0%.

Developed Property	Current 2018-19	Proposed 2019-20	Max Rate 2019-20
Residential (per lot)			
Inside Gates			
Metered	\$29.15	\$29.73	\$29.73
Unmetered	\$23.32	\$23.79	\$23.79
Outside Gates	\$7.03	\$7.17	\$7.17
Non-Residential (per Building square foot)			
1 Highway Retail	\$.2628	\$0.2681	\$0.2681
2 Other Retail/Comm	\$.0283	\$0.0289	\$0.0289
3 Industrial/Whse/Lt Industrial	\$.0618	\$0.0630	\$0.0630
4 Office	\$.0149	\$0.0152	\$0.0152
5 Institutional	\$.0149	\$0.0152	\$0.0152
6 Public Utility	\$.0471	\$0.0480	\$0.0480
7 Murieta Equestrian Center	\$.0044	\$0.0045	\$0.0045
8 RMCC	\$.0740	\$0.0755	\$0.0755
9 Airport	\$.0188	\$0.0192	\$0.0192
10 Hotel/Ext Stay	\$.0283	\$0.0289	\$0.0289
Undeveloped Property (per acre)			
Inside Gates	\$24.6563	\$25.1494	\$25.1494
Outside Gates	\$3.6742	\$3.7477	\$3.7477

SOLID WASTE

The proposed 2019-20 monthly bill increase for a 64 gallon container is projected to be \$0.77 (0.74 for the container and \$0.03 for the Sacramento County Surcharge) or 2.8%. This increase is due to operational cost increases per contract with California Waste Recovery Services and anticipated increases in Sacramento County's landfill surcharges.

	Current Rate 2018-19	Proposed 2019-20
38 gallon container (T38)	\$18.64	19.40
64 gallon container (T64)	\$20.44	21.19
96 gallon container (T96)	\$30.42	31.52
Extra Cart (38 gallon)	\$8.43	8.62
Extra Cart (64 gallon)	\$10.49	10.67
Extra Cart (96 gallon)	\$22.25	22.55
Extra Recycle Cart	\$6.72	6.89
Extra Yard Waste Cart	\$6.75	6.89
Yard Waste Exemption	(\$2.00)	(2.00)
Sac County Surcharge	\$1.23	1.25

Please reference the enclosed sample bills for summaries of the rate increases for average residential customers and average Murieta Village customers.

Sample Bill – Proposed Impact on Average Residential Monthly Bill

The estimated overall maximum increase is projected to be \$9.54 per month or 5.52% for an average residential customer with the proposed service charge increase and special tax adjustment beginning July 1, 2019.

Average Monthly Customer Bill			Current Monthly Rates	Proposed Monthly Rates	\$ Change	% Change
			July 1, 2018	July 1, 2019		
Residential Metered Lot						
Water	<i>Average Usage in CF</i>		1,426	1,426		
	Residential Base (excluding reserves)		\$ 34.52	\$ 37.97	\$ 3.45	10.0%
	Reserve Contribution		7.75	7.75	-	0.0%
	Total Residential Base		\$ 42.27	\$ 45.72	\$ 3.45	8.2%
old rate	Water Usage	\$0.175 per cubic foot	24.96			
new rate	Water Usage	\$0.191 per cubic foot		27.24	2.28	9.1%
	Total Water		\$ 67.23	\$ 72.96	\$ 5.73	8.5%
	WTP Debt Service Charge (interfund borrowing)		6.00	6.00	-	0.0%
	Sewer					
	Residential Base (excluding reserves)		40.41	42.77	2.36	5.8%
	Reserve Contribution		6.76	6.76	-	0.0%
	Total Residential Base		\$ 47.17	\$ 49.53	\$ 2.36	5.0%
	Solid Waste (avg. 64 Gallon Container)		21.67	22.44	0.77	3.6%
	Security Tax (Maximum Tax Ceiling \$29.73)		29.15	29.73	0.58	2.0%
	Drainage Tax (Maximum Tax Ceiling \$5.22)		5.12	5.22	0.10	2.0%
	Total RMCSD Bill		\$ 176.34	\$ 185.88	\$ 9.54	5.41%

Sample Bill – Proposed Impact on Average Murieta Village Monthly Bill

The estimated overall maximum increase is projected to be \$7.45 per month or 5.52% for an average Murieta Village customer with the proposed service charge increase and special tax adjustment beginning July 1, 2019.

Average Monthly Customer Bill			Current Monthly Rates	Proposed Monthly Rates	\$ Change	% Change
			July 1, 2018	July 1, 2019		
Murieta Village Lot						
Water	<i>Average Usage in CF</i>		418	418		
	Residential Base		\$ 34.52	\$ 37.97	\$ 3.45	10.0%
	Reserve Contribution		7.75	7.75	-	0.0%
	Total Residential Base		\$ 42.27	\$ 45.72	\$ 3.45	8.2%
old rate	Water Usage	\$0.175 per cubic foot	7.32			
new rate	Water Usage	\$0.191 per cubic foot		7.98	0.66	9.0%
	Total Water		\$ 49.59	\$ 53.70	\$ 4.11	8.3%
	WTP Debt Service Charge (interfund borrowing)		6.00	6.00	-	0.0%
	Sewer					
	Residential Base (excluding reserves)		40.41	42.77	2.36	5.8%
	Reserve Contribution		6.76	6.76	-	0.0%
	Total Residential Base		\$ 47.17	\$ 49.53	\$ 2.36	5.0%
	Solid Waste (avg. 64 Gallon Container)		21.67	22.44	0.77	3.6%
	Security Tax (Maximum Tax Ceiling \$7.31)		7.03	7.17	0.14	2.0%
	Drainage Tax (Maximum Tax Ceiling \$3.56)		3.42	3.49	0.07	2.0%
	Total RMCSD Bill		\$ 134.88	\$ 142.33	\$ 7.45	5.52%
Vacant or Unmetered Lot						
	Security Tax (Maximum Tax Ceiling \$23.32)		\$ 23.32	\$ 23.79		2.0%
*	Water Standby	\$10.00 PER YEAR	\$ 0.83	\$ 0.83		0.0%
*	Sewer Standby	\$10.00 PER YEAR	\$ 0.83	\$ 0.83		0.0%
	Drainage Tax (Maximum Tax Ceiling \$5.12)		\$ 5.12	\$ 5.22		2.0%
			\$ 30.10	\$ 30.67		
	% Change over prior year					1.89%

* This fee is billed annually at \$10.00 and is shown as a monthly rate for comparison purposes only.