
NOTIFICATION

TO: KNIGHTS LANDING CSD RATEPAYERS
FROM: KNIGHTS LANDING COMMUNITY SERVICES DISTRICT
SUBJECT: NOTICE OF PROPOSED INCREASE IN WATER & SEWER RATES
DATE: FEBRUARY 3, 2021

Dear Customer:

This notice is to advise property owners and ratepayers served by the Knights Landing Community Service District (KLCSD) of a **proposed increase to the water and sewer rates and the monthly service charge** that would take effect on April 1, 2021 for bills on or after April 1, 2021. It also provides information about a **Public Hearing on March 23, 2021** at which written and oral public comments will be considered and a vote on the proposed increase will be taken by the KLCSD Board of Directors.

How will the proposed increase affect your water bill? The regular RESIDENTIAL customer's bill will go up \$12.00 in April 2021, increasing 16% from \$74.50 to \$86.50, with an additional 9%, \$8.00 added July 1, 2021 increasing to \$94.50 and 5%, \$4.00 added July 1, 2022 to a maximum rate of \$98.50 per month for residential. Actual total percentage of increase over the term of increase \$74.50 to 98.50 is 32%

COMMERCIAL accounts will be identified as such and separated from the residential rate and designation. Commercial accounts will go up \$18.00 in April 2021, increasing 24% from \$74.50 to \$92.50, with an additional 20%, \$18.50 added July 1, 2021 increasing to \$111.00 and 20%, \$22.20 added July 1, 2022 to a maximum rate of \$133.20 per month for commercial. Actual total percentage of increase over the term of increase is 79%

Why are water rates being increased? These increases are necessary to recover the escalating costs of providing water and sewer services to our customers. The escalating costs are due to increasing operating and compliance expenses caused by regulation, meeting water quality standards, management/staffing needs, aging wells, distribution, collection and treatment systems and to fund additional capital needs required to operate the District in an effective and financially prudent manner.

Although the District has made every effort to keep the District's three wells running, the District has experienced damage to these wells. The infrastructure is dated beyond the rated useful lifespan and does not meet current required delivery capacities. Including fire flow and storage. The District has been having cash flow issues and deferring basic needs. The district has had to borrow funds to do needed repairs and have committed to repayment of borrowed funds. These payment requirements have not been fully met and are currently delinquent. There are continuous basic repair and maintenance needs.

The additional funds created by the rate increase are needed for the District's reserves for emergency repairs and future infrastructure replacement as it ages out. Water meters are also required by law and will eventually have to be installed. The Waste Water Treatment Facility is also in need of major repairs and improvements. Much of the district's equipment and pickup need major maintenance and repair.

Questions or concerns? call: Leo Refsland KLCSD General Manager at (530) 908-2077.

KNIGHTS LANDING COMMUNITY SERVICES DISTRICT

NOTE: For a more detailed report on the above information refer to the engineer's PROP 218 rate study on the KLCSD website: <https://klcsd.specialdistrict.org> Click on updates. It includes the district's annual budgets for the term and amount of increases showing how the funds will be allocated. Currently with existing rates KLCSD is not meeting cash flow needs.

While no one likes higher prices, we are working hard to give you good value for the money you spend on water and sewer. Even with this rate increase, the water, sewer and street lights KLCSD delivers to your home or business 24/7 is in line with other successful surrounding districts. We will keep looking for ways to reduce costs while continuing to provide safe, high-quality drinking water.

Here are some of the things we have accomplished and working on at the moment:

1. In July of 2020, KLCSD entered into a shared services agreement with Madison CSD. This arrangement added a fully licensed water and sewer employee, a General Manager, ability to do in house repairs, shared equipment and vehicles for repairs and maintenance, efficiencies in service and regulatory compliance. Controlled purchasing, fiscal experience, access to local government and established relationships, grant funding and capital improvement experience and more.

Since then, this is what the KLCSD Board, KLCSD and MCSD staff have worked on:

2. Stabilizing cash flow.
3. Repayment of DIF funds loan plan. Approximately \$250,000.00
4. Worked with our lead engineering firm and Yolo County to develop a rate study.
5. Clean up and organization of all KLCSD properties.
6. Vegetation removal and mitigation
7. Several repairs, improvements and maintenance projects.
8. Fire Hydrant map and flushing plan.
9. Consolidation and or elimination of positions and professional services.
10. Working with Yolo County DFS. KLCSD received loan interest forgiveness in the amount of \$65,454.00.
11. Finalizing planning for installation of two new generators (generators already in our possession) for well #4. (need approximately \$60,000.00)
12. Consolidation and improvement of phone numbers, contact info and communication.
13. A new and improved website in the near future.
14. A five-year capital improvement plan. Financed through a grant from the State Water Board.
15. LAFCO municipal service review.
16. Accounting and billing improvements.
17. Elimination of unnecessary monthly expenses.
18. Secured a grant through Yolo County for \$50,000.00 and working with Madison CSD by contributing approx. \$6,000.00 each for a total of \$62,000.00 for a new sewer line jetter that will provide equipment for a continuous maintenance program for KLCSD.
19. Applied for planning grant for wastewater lift station improvements.
20. Working with Developer on the White Subdivision.
21. Other grant funding and financing opportunities.
22. And more.

Questions or concerns? call: Leo Refsland KLCSD General Manager at (530) 908-2077.

**KNIGHTS LANDING
COMMUNITY SERVICES DISTRICT**

NOTICE OF PUBLIC HEARING

The Knights Landing Community Services District Board of Directors will hold a public hearing regarding proposed water and sewer rate increases on:

7:00 pm, Tuesday, March 23, 2021
Via zoom online teleconference only due to covid-19 restrictions

Public Notification Required:

In compliance with Article XIID of the California State Constitution and the Proposition 218 Omnibus Implementation Act, KLCSD is notifying all affected property owners and ratepayers of proposed water and sewer rate changes.

The proposed monthly rates for the next 2 years are as follows:

NEW RATE INCREASE EFFECTIVE DATES	PROPOSED NEW RATE
Residential	Residential
Beginning: April 1, 2021 to June 30, 2021 →	\$86.50/Month-Residential
Beginning: July 1, 2021 to June 30, 2022 →	\$94.50/Month-Residential
Beginning: July 1, 2022, →	\$98.50/Month-Residential
Commercial	Commercial
Beginning: April 1, 2021 to June 30, 2021 →	\$92.50/Month-commercial
Beginning: July 1, 2021 to June 30, 2022 →	\$111.00/Month-commercial
Beginning: July 1, 2022, →	\$133.20/Month-commercial

Public Hearing Information:

A Public Hearing will be held on March 23, 2021, at 7:00 PM

*****IMPORTANT NOTICE*****

**THIS MEETING WILL BE ONLINE ONLY VIA ZOOM
(SEE BELOW FOR SIGN ON INFO)**

NOTE: The meeting is a special meeting to allow Commissioners and the public to participate in the meeting via teleconference, pursuant to the Governor’s Executive Order N-25-20 (March 12, 2020), available at <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.12.20-EO-N-25-20-COVID-19.pdf>.

PHYSICAL LOCATION: NOT AVAILABLE N/A

How to Join the Zoom Meeting: <https://zoom.us/j/4662136663>
Dial by your location +1 669 900 6833 US (San Jose)

Meeting ID: 466 213 6663

Questions or concerns? call: Leo Refsland KLCSD General Manager at (530) 908-2077.

KNIGHTS LANDING COMMUNITY SERVICES DISTRICT

The Board of Directors of the KLCSD will conduct the public hearing on the proposed water and sewer rate increases and at that hearing will tabulate all written protests received by the District. The District then will consider, and may adopt, the proposed rate increases. If the District receives written protests against the proposed rate increases by a majority of affected property owners or ratepayers, the District will not impose the proposed increases.

How to Participate:

Protests must be submitted to the District in writing and must contain the following information:

- 1) The physical address or assessor's parcel number your water and sewer bill is connected with;
- 2) Your Name
- 3) Whether you are the property owner or the tenant.

Protests can be submitted any time prior to the public hearing and must be submitted either to the District by e-mail or regular mail.

Send your written protest to:

e-mail to: klcsdboard@gmail.com

Must be received by 6:00pm March 23, 2021

Or via regular stamped mail to:

Knights Landing Community Services District

P.O. Box 548

Knights Landing, CA 95645

Must be received by March 23, 2021 post office delivery.

Sincerely,

Knights Landing Community Services District

Questions or concerns? call: Leo Refsland KLCSD General Manager at (530) 908-2077.

Si necesita ayuda con la traducción o explicación de este aviso, llame al número de teléfono que se indica a continuación.

¿Preguntas o preocupaciones? llame a: Leo Refsland KLCSD Gerente General al (530) 908-2077.