

Notice of Proposed Sewer Rate Increase

January 1, 2025

Dear Property Owner:

This notice is intended to inform you that the Heritage Ranch Community Services District (HRCSD) will hold a public hearing regarding proposed increases to utility charges for customers receiving HRCSD sewer services. The proposed sewer rate increases will be considered by the HRCSD Board of Directors at the date, time and location specified below.

Consistent with the requirements of Proposition 218, this notice also provides you with the following information:

- The amount of the proposed increases to sewer rates;
- The basis upon which the amount of the proposed increases to sewer rates was calculated; and
- How to protest the proposed increases to sewer rates.

Notice of Public Hearing

Public Hearing for the proposed increases to sewer rates will be held on:

Date: Thursday, February 20, 2025

Time: 4:00 p.m.

Place: 4870 Heritage Road, Heritage Ranch, California, 93446

This notice has been sent to all record owners of property that are responsible for payment of HRCSD sewer rates. Once adopted by the HRCSD Board of Directors, the proposed increases to sewer rates would become effective July 1, 2025, and first appear on bills issued on August 1, 2025.

Questions

Please review this notice and the HRCSD website at www.heritageranchcsd.ca.gov for more information on the Rate Study. Additional information may also be obtained by contacting the HRCSD at (805) 227-6230.

Proposed Sewer Rate Increases

Increases to the monthly base rates for sewer are proposed for all customer classifications as presented in this notice. Sewer rates are fixed rates established on an “Equivalent Dwelling Unit” (EDU) basis that uses metered water consumption as representative of sewer flow. One EDU is defined as the average water consumption of a sewer residential dwelling unit.

Proposed Wastewater Monthly Fixed Charges

Description	EDU Ratio	Current Charge	July 1, FY 25-26	July 1, FY 26-27	July 1, FY 27-28	July 1, FY 28-29	July 1, FY 29-30
Residential/Condo	1.00	\$62.75	\$74.71	\$89.43	\$107.05	\$128.13	\$131.99
RV Space	0.80	\$50.20	\$59.77	\$71.54	\$85.64	\$102.50	\$105.59
Commercial	3.50	\$181.98	\$261.49	\$313.01	\$374.68	\$448.46	\$461.97
Restrooms	2.50	\$144.33	\$186.78	\$223.58	\$267.63	\$320.33	\$329.98
Dump Station	12.50	\$784.38	\$933.88	\$1,117.88	\$1,338.13	\$1,601.63	\$1,649.88
Holiday Condo	30.00	\$1,862.50	\$2,241.30	\$2,682.90	\$3,211.50	\$3,843.90	\$3,959.70

Basis and Reasons for the Proposed Sewer Rate Increases

The HRCSD Sewer Treatment Plant was originally built in 1978. The Plant operates 24 hours a day, 7 days a week, supporting public health and protecting local water quality. Currently, the facility treats approximately 200,000 gallons of sewer a day. Treated water is then discharged into a drainage channel that is a tributary to the Nacimientio River.

New regulations require substantial improvements to the plant. In 2017 the State of California Central Coast Regional Water Quality Control Board (CCRWQCB) modified the discharge requirements for Heritage Ranch's NPDES Permit limiting the presence of copper, nitrate, and ammonia in receiving waters. The CCRWQCB carefully evaluated the HRCSD's sewer treatment facility and determined that it is not in compliance with these new regulations.

Despite on-going negotiations with the CCRWQCB, along with several attempts to modify the existing plant operations to come into compliance, it was determined a new treatment process is needed to meet these current and future regulatory requirements.

A long-term solution that meets the needs of the community and environment is required by the CCRWQCB. As required, HRCSD is developing a new Water Resource Recovery Facility that will provide cost-effective, adaptable, compliant sewer treatment that sustainably meets the long-term needs of the community and the environment. Project benefits include:



COMPLIANCE

The new facility will meet current and future Federal and State discharge requirements.



ENVIRONMENTAL PROTECTION

The project will improve water quality, protecting the Nacimientio River and surrounding habitat



RELIABLE SERVICES

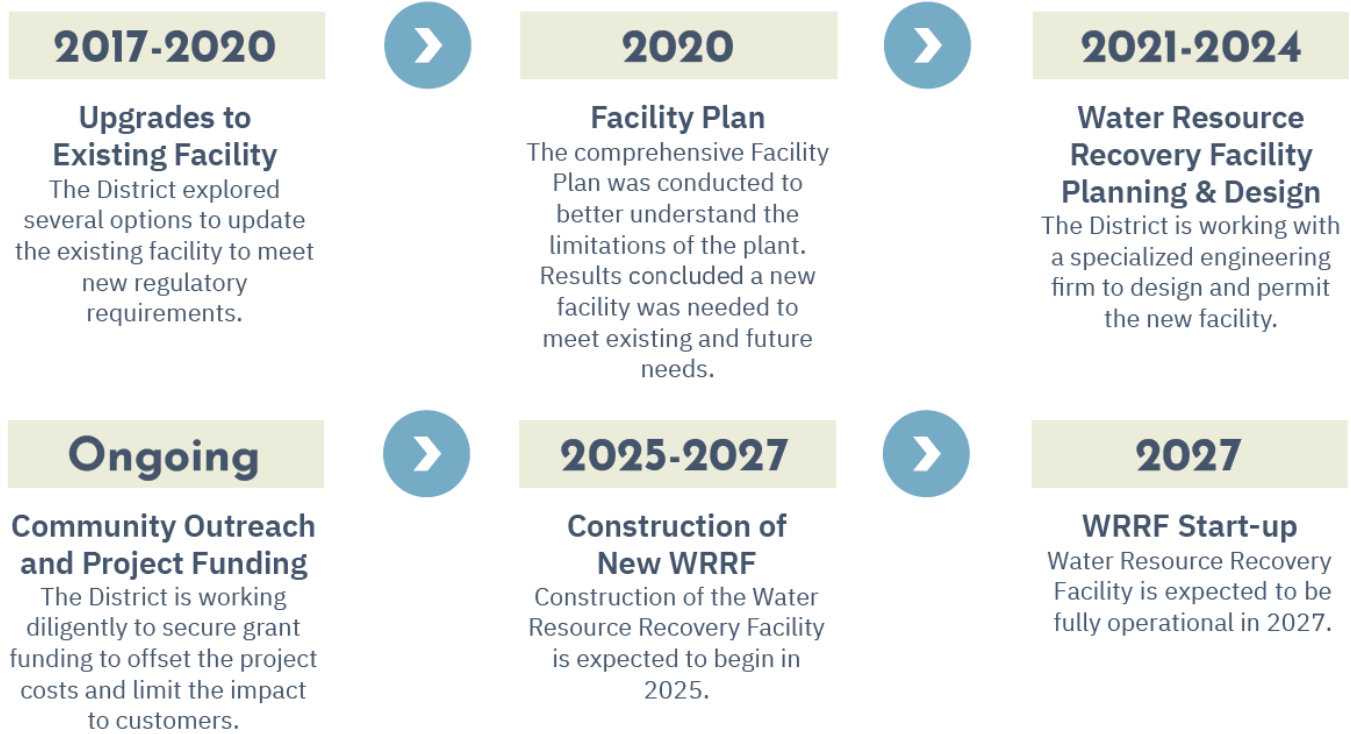
The existing wastewater plant is over 50 years old. Investing in new infrastructure will ensure reliable services for decades to come.



POSITIONING FOR WATER REUSE

The state-of-the-art treatment process will position the District for future recycled water and reuse.

Currently, the HRCSD is working on the design of the facility. Construction of the facility is anticipated to begin in 2025, with start-up required by September 2027. See project timeline below.



The HRCSD continually strives to keep utility rates affordable for its customers. However, after several years of negotiating with CCRWQCB, making operational changes to the existing plant, and considering project alternatives, a long-term solution is needed to address Heritage Ranch’s infrastructure challenges. If the HRCSD fails to meet discharge requirements, HRCSD and its customers are subject to costly fines.

The new, state-of-the-art, Water Resource Recovery Facility will meet regulatory requirements, preserve treatment capacity, and provide reliable services for generations to come. This critical project requires significant investment from the Heritage Ranch community. As a result, customer rates are expected to increase starting in July 2025. The HRCSD is actively pursuing Federal funding and grants to offset project costs and limit impacts to customers.

The goal of the project is to provide cost-effective, adaptable sewer treatment that achieves reliable compliance and sustainably meets the long-term needs of the community and environment.

Written Protest

Pursuant to Proposition 218, you may express written support or opposition to any or all of the proposed increases to the sewer rates prior to the close of the public hearing referenced above. A written protest must contain:

1. A statement that it is a protest against the proposed rate or rates which are the subject of the hearing; and
2. Name of the record owner; and
3. Identity of the affected parcel by the Assessor’s Parcel Number (APN) or service address; and
4. Original signature of the record owner with respect to the identified parcel.

Written protest must be submitted to the HRCSD Secretary by the date of the hearing at 4:00 PM by:

1. Mail or delivery to the Heritage Ranch Community Services District Office at 4870 Heritage Road, Paso Robles, CA 93446.
2. Personally submitting the protest at the public hearing.

A protest may only be submitted by the record owner who signed the protest, or an individual authorized in writing by the record owner to submit the protest. That written authorization shall be provided to the HRCSD Secretary so the protest can be accepted from someone other than the person who signed it. Any challenges to the proposed sewer rate increases must be filed as validation suits within 120 days in compliance with SB 323, which added Section 53759 to the Government Code, and any other applicable laws.

Survey of Sewer Rates of Other San Luis Obispo County Agencies

A survey of sewer rates for single family residential throughout San Luis Obispo County as of October 2024 is presented below. All agencies have different costs to produce the services, so rates vary. A key issue is that HRCSD is one of the smaller agencies that performs sewer collection, treatment, and disposal. Many agencies that perform these functions have larger populations and can spread out costs to many customers. HRCSD serves a small population in comparison and thus costs must be borne by fewer customers. The survey rates are reported as monthly for comparison purposes and show the proposed first year new rates for HRCSD. The survey reveals that the monthly median sewer rate of the agencies is \$82.83. The HRCSD proposed monthly sewer is \$74.71.

