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NOTICE OF PUBLIC HEARING FOR PROPOSED SEWER RATE INCREASES

Article XIID of the California requires the Crestline Sanitation District (CSD) to send notification of a proposed rate increase at least forty-five (45) days prior to a public hearing, to all owners and tenants of real property within CSD's service area who would be directly liable to pay for wastewater service for the property at which adoption of the proposed increases will be considered. In accordance with those requirements, please be advised that CSD is proposing an increase in its wastewater service charges. This Notice identifies the amount of the proposed rate increases; the basis upon which the proposed increases were calculated; the reason for the proposed rate increase; the date, time, and location of a public hearing on the proposed rate increases; and the manner in which all persons opposed to the proposed rate increases may object and/or file a written protest thereto. Consequently, please be advised that this document shall serve as a formal notification to you that the CSD's Board of Directors will hold a Public Hearing on the proposed rate increases described herein on May 23, 2024 at 3:00 p.m. in the CSD Board Room located at 24516 Lake Drive, Crestline, CA 92325.

SUMMARY OF FINDINGS

- **Why are sewer rates increasing?**

Crestline Sanitation District (CSD) collects, treats and disposes of the wastewater from the sewer service area. Despite our best efforts to keep costs down, CSD's financial stability is tied to several factors beyond our control.

The proposed rates outlined in this notice are designed to collect the revenue needed to cover operating expenses, meet debt service obligations and funding necessary capital improvement projects.

CSD's basic operational costs have seen increases including rising electrical costs to operate Treatment Plants and other facilities, increased maintenance and infrastructure costs and other labor related costs. CSD has not increased rates for over four (4) years, but has taken measures to keep costs down.

- **Governmental Regulations:**

Strict government regulation also plays a role in the District's operation. State Water Resources Control Board (SWRCB) Lahontan Region mandates protocol which CSD must follow regarding wastewater disposal.

- **Responsible Fiscal Management:**

CSD's proposed wastewater increases are consistent with the rate study performed by an independent professional consulting firm, Bartle Wells Associates. That study took into account (1) infrastructure replacements and upgrades for the capital improvement projects, discussed in this Notice, and (2) inflationary pressures on routine operating and administrative costs. Based upon all of the factors, elements and calculations considered in that study, rate increases in the amount set forth herein were recommended. Copies of the rate study may be viewed on CSD's website www.crestlinesanitation.com or at the administrative office. As a public agency CSD receives no profit from its wastewater rates and is obligated to charge its customers no more than the actual cost incurred for furnishing the services that CSD provides. Standard expenses include operations and maintenance components, government compliance cost, and the development of capital improvement projects within CSD's service area. Consequently, the new rate structure that is being proposed reflects the professional opinion of an independent financial consulting firm, Rogers, Anderson, Malody, & Scott, LLP (RAMS), after incorporating costs of service with fiscal responsibility and sound wastewater resource management.

“To Reclaim Community Resources and Protect Our Mountain Environment” Crestline Sanitation District Mission Statement

Capital Improvement Projects:

As its name suggests, capital improvement is an enhancement to your wastewater system. CSD is committed to planning, designing and implementing the most cost-effective and efficient capital improvement projects, with the long-term goal of ensuring a reliable, high quality collection system and treatment. CSD’s financial approach to capital improvement combines responsible fiscal decision making with an investment in small infrastructure planning. Capital projects are often complex and require considerable management, such investment directly benefits the District’s customers by providing new technologies in wastewater operations and equipment maintenance, efficient resource management and overall highly sustainable collection and treatment.

On February 15, 2024 the District finalized a Board approved Updated Master Plan. A District Master Plan should illustrate (1) current status of an agency, (2) where it should be in the future and (3) what is required to get there. Aging infrastructure is one of the Districts’ biggest concerns, along with new CA State Discharge Requirements. The updated Master Plan can be viewed at the District office or on its’ website www.crestlinesanitation.com .

CSD evaluated the full scope of potential projects individually to determine top priorities to support the continued reliable collection and treatment for its customers. CSD plans the following projects:

- **Sliplining Project:** the District’s entire sewer system, consisting of roughly 76 miles and approximately 2,200 manholes. About half the system is in easements on mountain slopes. As a large portion of the system was installed in the 1950’s, rehabbing the pipe is a critical concern for the future health of the District. As mandated by the State Water Resources Control Board, the District is required to fulfill the terms of a “Sewer System Management Plan (SSMP)”. “Sliplining” is a cost-effective way to add years of life to the pipe, as well as decreasing “inflow and infiltration” during storm events that can tax the collection system, elevate the possibility of sewer system overflows and hydraulically overload the District treatment plants. The District has budgeted \$260,000.00 per year to aggressively rehab the aging parts of the sewer system.
- **Access Roads and Retaining Walls:** during the severe snow storm of March 2023, the tropical storm event in August, and the heavy rain events in February 2024, the District has experienced damage and undermining to the access roads leading to the wastewater treatment plants, particularly Huston Creek and Seeley Creek. The roads require critical maintenance and retaining walls. These roads provide the only access into and out of the treatment plants.
- **Primary Clarifier Upgrade:** the District has identified erosion and concerning soil conditions on the north side of the Seeley Creek WWTP Primary Clarifier. Recently, the primary clarifier skimmer arm has misaligned or become crooked and needs to be repaired. The District is concerned this may have something to do with erosion undermining the structure. The structure must be inspected to determine if any differential settlement has occurred due to the erosion of the slope on the side of the clarifier.
- **Lake Gregory Pump Station Wet Well:** the well is under-sized, and currently, layers of mitigation measures are in place to compensate for a limited hydraulic capacity of the wet well and lack of emergency storage. The District is looking at constructing emergency storage for additional failure response time.

HOW TO PARTICIPATE

If you have any questions or comments about the proposed rates or wish to protest you may:

Write - Written protests may be mailed to:

Crestline Sanitation District, Attention: Clerk of the Board, P.O. Box 3395, Crestline, CA 92325-3395 or hand delivered to the administrative office at 24516 Lake Drive, Crestline, CA 92325. Written protests must include date, your name, service address, and signature. E-mailed protests will not be accepted.

Attend the Public Hearing - Written protests may also be submitted at the Public Hearing on May 23, 2024 at 3:00 p.m. at the Crestline Sanitation District Board Room, 24516 Lake Drive, Crestline, CA 92325.

Written protests must be received before the conclusion of the Public Hearing. You may address the Board; however, oral comments do not qualify as a formal protest unless accompanied by a written protest.

Information available to you - Copies of the rate study, the proposed Ordinance and Resolutions, and further details concerning the reasons for the proposed rate increases and the basis upon which they were calculated are available for review at the CSD office at 24516 Lake Drive, Crestline, CA 92325, or on our website: www.crestlinesanitation.com

Public Hearing Process - At the time of the Public Hearing, the Board of Directors will hear and consider any protests and objections. After the Public Hearing, if a majority of the property owners and tenants of real property directly liable for paying the sewer fees for the affected parcels file written protests in opposition to the proposed rate increases, the increases will not be imposed. However, if a majority protest is not received, CSD’s Board of Directors may increase its sewer service rates in the manner described in the Notice. If adopted, the proposed rates would become effective July 1, 2024, but the increase would be phased in periodically over the next five years as outlined in this Notice.

CURRENT MONTHLY	FIVE YEAR PROPOSED RATES PER EQUIVALENT DWELLING UNIT				
	07/01/2024	07/01/2025	07/01/2026	07/01/2027	07/01/2028
% INCREASE	6.00%	5.00%	5.00%	5.00%	5.00%
\$52.82	\$55.99	\$58.79	\$61.73	64.82	\$68.06

Statute of Limitations - Pursuant to Government Code Section 53759, a 120-day statute of limitations applies for any judicial action or proceeding challenging any new, increased, or extended sewer fee or charge.

Sewer Sliplining



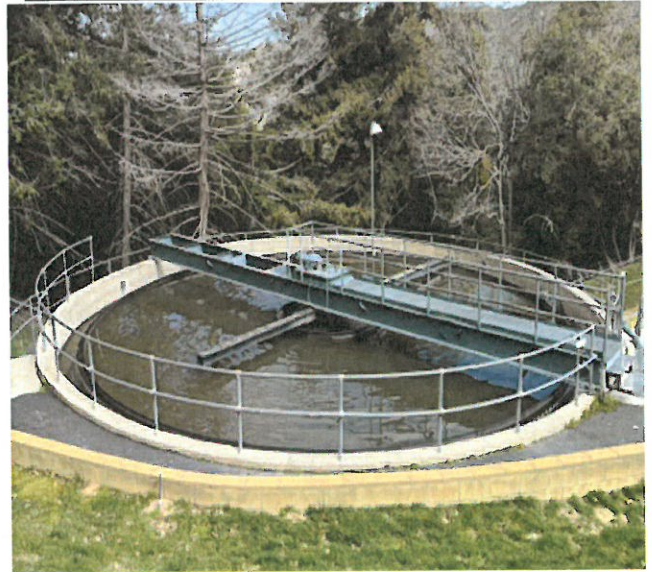
Sliplining sewer mains extends the life. Collections Staff performs smoke testing of its' Mains every year to determine the most critical Areas in need of sliplining. Minimizing the effects of "Inflow and Infiltration" is a high priority to the District and is a project that will continue

WWTP Access Roads



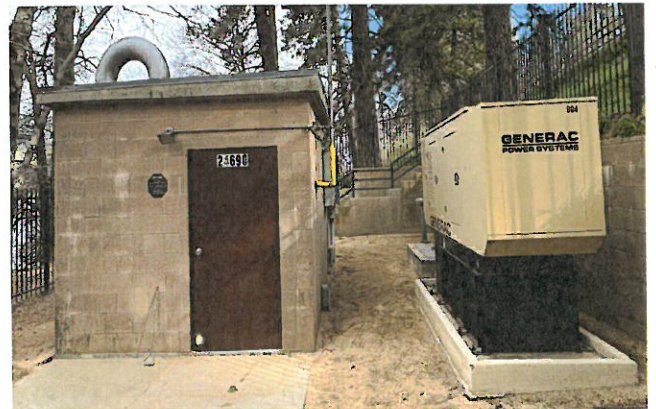
Access roads leading to the District's treatment Plants have suffered damage due to snow and rain events over the last couple of years. The access to each plant is limited to one way in and one way out. Retaining walls and hillside buildups are necessary, along with new asphalt.

Seeley Creek WWTP Clarifier



Seeley Creek WWTP Primary Clarifier. Recently, the primary clarifier skimmer arm has misaligned or become crooked and needs to be repaired. An Engineering report will show determine the next steps, if necessary.

Lake Gregory Lift Station



Lake Gregory Lift Station is located next to Lake Gregory near the old ball field. An emergency storage tank will help with capacity and crew response time in an emergency.