




Notice of Proposed Utility Rate Increases and Public Hearing Thursday, May 12th at 9 a.m.

Proposition 218 notification about proposed changes to water and wastewater rates.


**Proposed Utility Rate
Increases Explained Inside.
Attend the Public Hearing
Thursday, May 12th at 9 a.m.**

American Valley Community Services District
 900 Spanish Creek Road
 Quincy, CA 95971



Attend a Public Workshop

The District will hold a public workshop on Monday, April 25 at 5:30 p.m. at the Plumas County Library located at 445 Jackson St., Quincy, CA. Customers are encouraged to attend to learn more details about the proposed new water and wastewater rate structures and have questions answered. For more information, including quick lookup of how your residential utility bill would change, visit www.americanvalleycsd.com or call the office at 530-283-0836.



About American Valley Community Services District
 American Valley Community Services District (AVCSD/District) provides water and wastewater services to the American Valley within its service area boundaries. In 2018, LAFCO granted the reorganized Quincy Community Services District and the East Quincy Services District to form one district, the American Valley Community Services District. AVCSD assumed all control and responsibility for water and wastewater services for Quincy and East Quincy customers.

Since inception, customers in the AVCSD's West (representing QCSD) and East (representing EQSD) zones have remained under the same original, separate rate structures adopted by their respective decision makers before the consolidation. In 2021, AVCSD hired a rate consultant to finalize the last step of consolidation, which is to determine one rate structure for all AVCSD customers. One key point: the consolida-

tion agreement required that any previous debts and obligations of the respective dissolved districts incurred while separate entities remain the responsibility of those customers, either West or East zone customers.

About the Rate Study
 The District initiated a rate study for several reasons:

- Finalize the last step of consolidation of the former QCSD and EQSD,
- Determine financial health of the District to maintain safe, reliable, and compliant water and wastewater systems,
- Examine the ability to fund needed capital improvement projects (CIP), and
- Demonstrate compliance with current laws and industry practices in setting of rates and fees.

Capital Improvements on the Horizon
 Capital improvements are an industry

necessity to ensure that utility providers are operating safe, reliable, and compliant systems. State and federal regulations regularly change and become increasingly stringent, regardless of the size of the customer base. Districts typically fund CIPs through customer rates, District reserves, loans or grants, or a combination thereof.

One major needed improvement for AVCSD is the water "inter-tie" which will provide full integration of the water system. This effort is approximated at \$2 million in current dollars. Other key water improvements include a new water tank for fire protection, water meter replacements and upgrades, and a major water planning project, which is grant funded. Wastewater improvements include replacing lift station generators, also grant funded. The Board may implement a collection system inspection maintenance and repair program, which is estimated at \$250,000 per year in today's dollars.

Proposed Rate Structure Explained

Water
 Customer water fees were developed based on identification of fixed costs, costs incurred to serve customers regardless of amount or rate of water used, and variable costs, costs that change as water consumption changes measured during a specific time period. The calculated rate is a sum of three parts: fixed customer charge per account, readiness-to-serve charge per meter, and a capacity peaking and commodity charge per 1,000 gallons of water.

All AVCSD customers will pay a fixed monthly charge under the proposed rate structure. The customer charge will be paid per account. Water meter service charges will be paid according to the service meter size. A usage rate for all water recorded through the water meter will be applied to all active accounts. The District will implement a base allowance of 4,000 gallons per month per residential unit. The proposed rates are shown in Table A. Note, there is no existing water system debt; therefore, the rates will be the same throughout AVCSD.

**Table A
 Calculated Water Rates Schedule**

Charge Type	Billing Method	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5	2028 Year 6	2029 Year 7
CUSTOMER CHARGE								
All Accounts	per account, per month	\$15.68	\$16.49	\$17.33	\$18.21	\$19.14	\$20.12	\$21.14
SERVICE CHARGE								
5/8"	per meter, per month	\$19.80	\$20.82	\$21.89	\$23.00	\$24.18	\$25.40	\$26.69
3/4"	per meter, per month	\$29.70	\$31.23	\$32.84	\$34.50	\$36.27	\$38.10	\$40.04
1"	per meter, per month	\$49.50	\$52.05	\$54.73	\$57.50	\$60.45	\$63.50	\$66.73
1.5"	per meter, per month	\$99.00	\$104.10	\$109.45	\$115.00	\$120.90	\$127.00	\$133.45
2"	per meter, per month	\$158.40	\$166.56	\$175.12	\$184.00	\$193.44	\$203.20	\$213.52
3"	per meter, per month	\$346.50	\$364.35	\$383.08	\$402.50	\$423.15	\$444.50	\$467.08
4"	per meter, per month	\$594.00	\$624.60	\$656.70	\$690.00	\$725.40	\$762.00	\$800.70
6"	per meter, per month	\$1,237.50	\$1,301.25	\$1,368.13	\$1,437.50	\$1,511.25	\$1,587.50	\$1,668.13
8"	per meter, per month	\$2,376.00	\$2,498.40	\$2,626.80	\$2,760.00	\$2,901.60	\$3,048.00	\$3,202.80
Inactive Property Charge	per account, per month	Customer Charge plus Service Charge @ size of meter						
Private Fire Hydrant or Pipe Charge	per service, per month	\$35.48	\$37.31	\$39.22	\$41.21	\$43.32	\$45.52	\$47.83
USE CHARGE								
Residential								
Up to 4,000 gallons per unit, per month		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4,001+ gallons / unit / mo	per 1,000 gallons	\$1.93	\$2.03	\$2.13	\$2.24	\$2.35	\$2.47	\$2.60
Non-Residential								
All Non-Residential	per 1,000 gallons	\$1.93	\$2.03	\$2.13	\$2.24	\$2.35	\$2.47	\$2.60

Source: AVCSD and HEC 2021 rate study. sum w1

Wastewater

Customer wastewater fees were developed based on customer costs that are not based on user characteristics, and capacity costs and flow costs that are based on user characteristics.

If approved, the proposed fee structure will be the same for all AVCS D wastewater customers starting July 1, 2022. In addition, customers will pay collection surcharges by zone for debt service acquired before the consolidation. The new rate structure would be applied as follows:

Active Wastewater Accounts

1. Customer charge: A flat monthly fee billed to the account holder.
2. Collection Surcharge: A flat monthly fee billed to the account holder for debt service in the zone in which they are located.
3. Service and flow charge metered accounts: A flat monthly fee billed per residential unit. A flat monthly fee billed to Nonresidential metered accounts based on average month water use January through March each year (updated each year) and

the customer's wastewater strength category (domestic, low, medium, or high).

4. Service and flow charge unmetered accounts: A flat monthly fee billed per unmetered equivalent dwelling unit (EDU).

Inactive Wastewater Accounts

1. Customer charge: A flat monthly fee billed to the account holder.
2. Collection Surcharge: A flat monthly fee billed to the account holder for debt service in the zone in which they are located.
3. Service charge: A flat monthly fee based on each inactive account counting as one EDU.

Inactive wastewater accounts only pay customer and service charges (and zone-specific collection surcharges) because they are not currently generating wastewater. They still incur customer-related costs and costs to maintain capacity in the wastewater system, which are recouped in the collection surcharge and service charge.

Calculated Wastewater Rates Schedule

Customer Type	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5	2028 Year 6	2029 Year 7
RESIDENTIAL							
	per unit per month // (A) + (B) East // (A) + (C) West						
(A) Single Family	\$69.32	\$69.32	\$72.30	\$75.41	\$78.65	\$82.03	\$85.56
(A) Multi-Family	\$60.37	\$60.37	\$62.96	\$65.67	\$68.50	\$71.44	\$74.51
East Zone Debt Surcharge							
(B) Single Family	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
(B) Multi-Family	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
West Zone Debt Surcharge							
(C) Single Family	\$6.58	\$6.58	\$6.58	\$6.58	\$6.58	\$6.58	\$6.58
(C) Multi-Family	\$6.58	\$6.58	\$6.58	\$6.58	\$6.58	\$6.58	\$6.58
NON-RESIDENTIAL							
	per account per month // (A) + (B) + (D) East // (A) + (C) + (D) West						
(A) All Non-residential Accounts	\$15.27	\$15.27	\$15.93	\$16.62	\$17.33	\$18.08	\$18.85
(B) East Zone Debt Surcharge	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
(C) West Zone Debt Surcharge	\$6.58	\$6.58	\$6.58	\$6.58	\$6.58	\$6.58	\$6.58
Non-Residential (Metered)							
	per 1,000 gallons of wintertime monthly average use [7]						
(D) Domestic Strength [1]	\$11.88	\$11.88	\$12.39	\$12.92	\$13.48	\$14.06	\$14.66
(D) Low Strength [2]	\$12.90	\$12.90	\$13.46	\$14.04	\$14.64	\$15.27	\$15.93
(D) Medium Strength [3]	\$16.35	\$16.35	\$17.05	\$17.78	\$18.55	\$19.34	\$20.18
(D) High Strength [4]	\$21.19	\$21.19	\$22.10	\$23.05	\$24.04	\$25.07	\$26.15
(D) Schools	\$11.12	\$11.12	\$11.60	\$12.10	\$12.62	\$13.16	\$13.72
Non-Residential (Unmetered)							
	per DUE per month // (A) + (B) + (E) East // (A) + (C) + (E) West						
(E) Domestic Strength [5]	\$69.32	\$69.32	\$72.30	\$75.41	\$78.65	\$82.03	\$85.56
(E) Low Strength [6]	\$65.95	\$65.95	\$68.78	\$71.74	\$74.82	\$78.04	\$81.40
INACTIVE							
	per account per month // (A) + (B) East // (A) + (C) West						
(A) All Inactive Accounts	\$46.22	\$46.22	\$48.21	\$50.28	\$52.44	\$54.70	\$57.05
(B) East Zone Debt Surcharge	\$0.49	\$0.49	\$0.49	\$0.49	\$0.49	\$0.49	\$0.49
(C) West Zone Debt Surcharge	\$6.52	\$6.52	\$6.52	\$6.52	\$6.52	\$6.52	\$6.52

Source: HEC 2021 rate study.

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[1] Mixed use accounts.

[2] Includes retail, office, churches, banks, dental/doctor offices, storage, beauty shops, car washes, and light manufacturing.

[3] Includes auto repair and service, gas station with markets, heavy manufacturing/industrial, and laundromats.

[4] Includes grocery markets, funeral homes, restaurants, fast food and bakeries.

[5] In the West zone, Feather River College and RV Park are included.

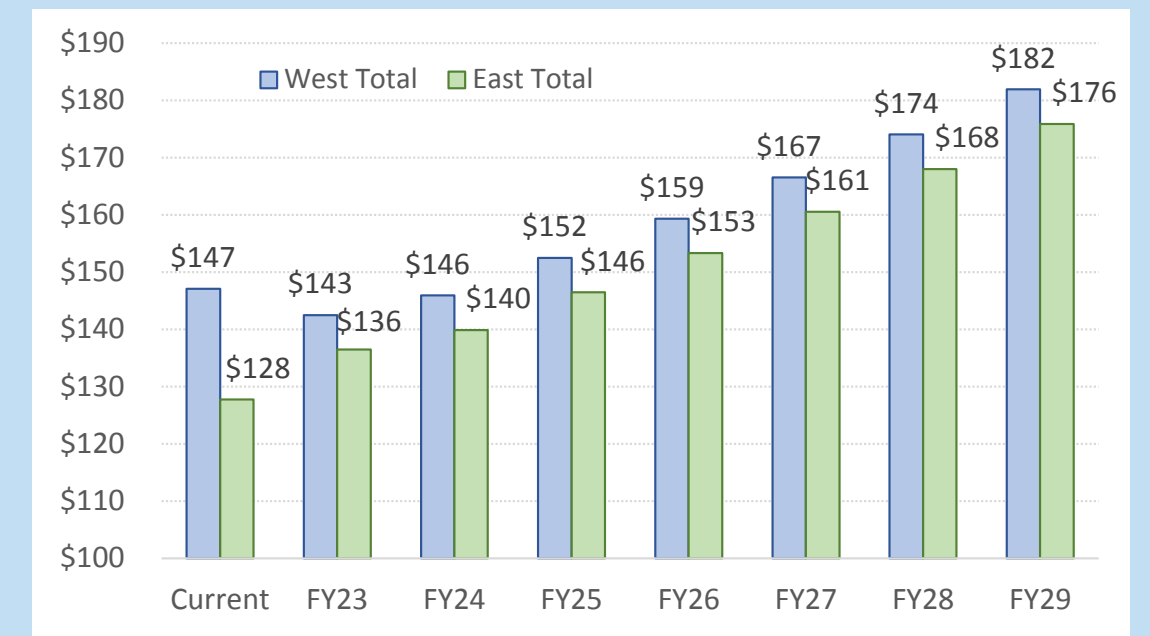
[6] In the West Zone, includes Plumas Co. Annex and Gansner Park bathrooms.

[7] Wintertime average use calculated using Jan-Mar inclusive water meter reads (applied to every month of the year).

Combined Impact to Utility Bills

The following chart compares the current water and wastewater utility bills with bills starting July 1, 2022, under the proposed new rate structure and over the next six years. The projected AVCS D utility bills are based on a home with a ¾" meter using 15,000 gallons including a 4,000-gallon base water allowance. The difference in the bill between the zones is for the wastewater debt surcharges: West Zone wastewater customers pay a \$6.58 monthly debt surcharge and East Zone customers pay a \$0.55 monthly debt surcharge.

Projected Single Family Utilities Bill Components by Zone



Customer Rights – Submit a Written Comment

Under Proposition 218, ratepayers and property owners have the right to oppose the proposed water and wastewater rate increase. If you oppose the rate increases, your protest must be submitted in writing to be valid, even if you attend the public hearing. If written protests are submitted by a majority of affected parcel owners, the proposed rate changes cannot be imposed.

Option 1

If you do not oppose the rate increases, you need not take any action.

Option 2

If you do oppose the proposed rate increases, your protest must be submitted in writing even if you attend the public hearing. All written protests must be received in writing via mail no later than Wednesday, May 11, 2022 by 5 p.m. (close of business). Mail protests to AVCS D, 900 Spanish Creek Road, Quincy, CA 95971. Protests may also be submitted in person at the Public Hearing any time prior to the close of the Public Hearing. The Public Hearing will be held **Thursday, May 12, 2022 at 9 a.m.** at 179 Rogers Ave., Quincy, CA.

All protests must contain:

- Statement that the proposed rate(s) increase is being protested
- Which rate increase is being opposed WATER, WASTEWATER or BOTH.
- Name of the property owner OR customer of record who is submitting the protest
- Parcel number OR street address
- Original signature and legibly printed name of the property owner of record or tenant
- Indicate if signature is of property owner or tenant
- Date of signature

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed rate increases. If, at the close of the public hearing, complete written protests are submitted by the record owners for the majority of the parcels served by the District's water or wastewater utility (50% plus one, a "majority protest"), the Board of Directors cannot approve the proposed rate increases. If, at the close of the public hearing a majority protest does not exist for water or wastewater increases, the Board of Directors may impose rates up to the maximum amounts proposed.

Only one written protest per parcel will be counted (either owner or tenant, not both). Written protests received after the close of the public hearing will not be counted. Protests emailed or submitted by any electronic means will not be accepted.

Senate Bill 323

Senate Bill (Bill) 323 went into effect January 1, 2022. This new law states that ratepayers must bring a challenge to new or increased retail water or sewer rates within 120 days of the effective date or date of final passage, adoption, or approval of the ordinance or resolution adopting the water or sewer rates. The rate increases for water or sewer rates cannot be challenged after this 120 day-period.