



CUSTOMER NOTICE

Proposed Rate Increases

The adjustments to the current rates are proposed to accommodate the following critical projects which increase the overall quality of LACSD's service:

Water System Capital Projects

Revenues from water service fees pay for increases in the costs of operating and maintaining the water systems, including repairing, replacing and upgrading current infrastructure such as pipes, pumps and treatment and storage facilities. The service fees also pay the costs to treat, purchase and deliver water. The existing system requires continual improvements and repairs. The District also needs to rehabilitate and/or replace several older water storage tanks, replace old water pipelines and ensure long term supply by exploring additional ground water sources.

Wastewater System Capital Projects

Increases in the rates for the wastewater service fees are necessary to fund increases in the costs of operating and maintaining the wastewater system which includes two treatment plants, one percolation facility and over 200 miles of sewer pipeline. This system requires continual repair, maintenance and upgrades. In addition to ongoing increases in the cost of providing wastewater service, the District has committed certain funds to reduce the amount of storm water entering the wastewater system in order to reduce the possibility of overwhelming the wastewater treatment plant and causing sewer spills. LACSD is also continuing to upgrade the main sewer pipe surrounding the lake in order to extend its useful life and reduce the possibility of a sewer spill into the lake.

Why are the rate adjustments being proposed?

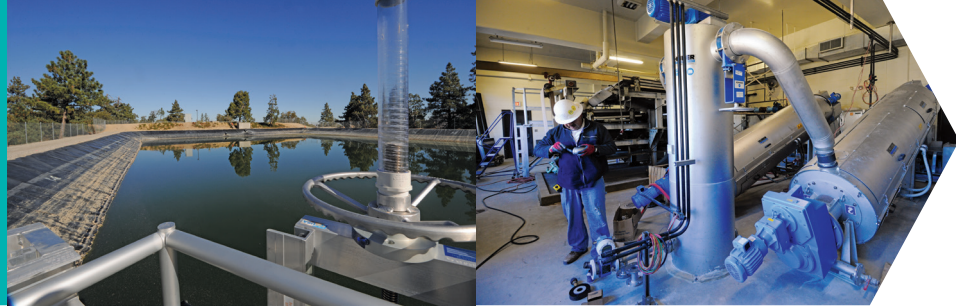
The Lake Arrowhead Community Services District (LACSD) is dedicated to providing exceptional water and wastewater service at the lowest possible cost while protecting the water resources of our unique community. Although LACSD continually strives for cost reductions and improvements in its use of water and wastewater system assets, the District must also keep pace with inflation and other cost increases, such as electricity, utility and construction costs. It must also maintain the systems to meet customer service requirements.

The proposed water and wastewater rate adjustments are necessary in order for LACSD to:

- (1) recover current and projected cost increases to maintain and operate the water and wastewater systems;
- (2) construct capital infrastructure improvements needed to repair and update aging water and wastewater infrastructure;
- (3) maintain the operational and financial stability of the water and wastewater systems;
- (4) avoid operating deficits and depletion of reserves; and
- (5) comply with state and federal regulatory requirements.



Proposed Revenue Adjustments and Water Rates



ARROWHEAD WOODS							
RESIDENTIAL	Fixed Charges		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	5/8-in		\$47.03	\$49.39	\$51.87	\$54.47	\$57.20
	3/4-in		\$47.03	\$49.39	\$51.87	\$54.47	\$57.20
	1-in		\$94.00	\$98.72	\$103.68	\$108.88	\$114.35
	1 1/2-in		\$182.33	\$191.48	\$201.09	\$211.18	\$221.78
	2-in		\$288.31	\$302.78	\$317.98	\$333.94	\$350.70
	3-in		\$535.61	\$562.50	\$590.74	\$620.40	\$651.54
	4-in		\$888.90	\$933.52	\$980.38	\$1,029.60	\$1,081.29
	6-in		\$1,772.11	\$1,861.07	\$1,954.50	\$2,052.62	\$2,155.66
	Volumetric Charges	Widths	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	Tier 1	0-4	\$1.54	\$1.62	\$1.70	\$1.79	\$1.88
	Tier 2	5-13	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
Tier 3	14-30	\$8.27	\$8.68	\$9.12	\$9.58	\$10.06	
Tier 4	31+	\$16.87	\$17.71	\$18.60	\$19.53	\$20.51	
COMMERCIAL	Fixed Charges		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	5/8-in		\$50.37	\$52.90	\$55.56	\$58.35	\$61.28
	3/4-in		\$50.37	\$52.90	\$55.56	\$58.35	\$61.28
	1-in		\$96.72	\$101.57	\$106.67	\$112.02	\$117.64
	1 1/2-in		\$187.75	\$197.18	\$207.08	\$217.48	\$228.40
	2-in		\$296.99	\$311.90	\$327.56	\$344.00	\$361.27
	3-in		\$551.89	\$579.60	\$608.70	\$639.26	\$671.35
	4-in		\$916.03	\$962.02	\$1,010.31	\$1,061.03	\$1,114.29
	6-in		\$1,826.39	\$1,918.07	\$2,014.36	\$2,115.48	\$2,221.68
	Volumetric Charges	Widths	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	Tier 1	0-40	\$4.54	\$4.77	\$5.01	\$5.26	\$5.52
	Tier 2	40+	\$8.86	\$9.31	\$9.78	\$10.27	\$10.79
IRRIGATION	Fixed Charges		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	5/8-in		\$52.99	\$55.65	\$58.44	\$61.37	\$64.45
	3/4-in		\$52.99	\$55.65	\$58.44	\$61.37	\$64.45
	1-in		\$96.66	\$101.51	\$106.61	\$111.96	\$117.58
	1 1/2-in		\$187.64	\$197.06	\$206.95	\$217.34	\$228.25
	2-in		\$296.82	\$311.72	\$327.37	\$343.80	\$361.06
	3-in		\$551.56	\$579.25	\$608.33	\$638.87	\$670.94
	4-in		\$915.49	\$961.44	\$1,009.70	\$1,060.39	\$1,113.62
	6-in		\$1,825.29	\$1,916.92	\$2,013.15	\$2,114.21	\$2,220.34
	Volumetric Charges	Widths	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	Tier 1	All Use	\$8.33	\$8.75	\$9.19	\$9.65	\$10.13
	FIRE	Fixed Charges		FY2021-22	FY2022-23	FY2023-24	FY2024-25
1-in		\$14.34	\$15.06	\$15.82	\$16.61	\$17.44	
1 1/2-in		\$23.01	\$24.16	\$25.37	\$26.64	\$27.98	
2-in		\$33.40	\$35.08	\$36.84	\$38.69	\$40.63	
3-in		\$57.66	\$60.55	\$63.59	\$66.78	\$70.13	
4-in		\$92.31	\$96.94	\$101.81	\$106.92	\$112.29	
6-in		\$178.93	\$187.91	\$197.34	\$207.25	\$217.65	

DEER LODGE PARK							
RESIDENTIAL	Fixed Charges		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	5/8-in		\$45.04	\$46.61	\$48.24	\$49.93	\$51.68
	3/4-in		\$45.04	\$46.61	\$48.24	\$49.93	\$51.68
	1-in		\$105.76	\$109.46	\$113.29	\$117.26	\$121.36
	1 1/2-in		\$206.96	\$214.20	\$221.70	\$229.46	\$237.49
	2-in		\$328.40	\$339.89	\$351.79	\$364.10	\$376.84
	Volumetric Charges	Widths	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	Tier 1	0-10	\$4.87	\$5.04	\$5.22	\$5.40	\$5.59
	Tier 2	10+	\$5.78	\$5.98	\$6.19	\$6.41	\$6.63
FIRE	Fixed Charges		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	1-in		\$14.38	\$14.89	\$15.41	\$15.95	\$16.51
	1 1/2-in		\$24.21	\$25.06	\$25.94	\$26.85	\$27.79
	2-in		\$36.00	\$37.26	\$38.56	\$39.91	\$41.31
	3-in		\$63.51	\$65.74	\$68.04	\$70.42	\$72.88
	4-in		\$102.82	\$106.41	\$110.13	\$113.98	\$117.97
	6-in		\$201.07	\$208.11	\$215.39	\$222.93	\$230.73
RIMFOREST							
RESIDENTIAL	Fixed Charges		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	3/4-in		\$54.95	\$65.67	\$68.95	\$72.40	\$76.02
	1-in w/Fire		\$88.13	\$105.31	\$110.58	\$116.11	\$121.92
	1-in		\$88.13	\$105.31	\$110.58	\$116.11	\$121.92
	1 1/2-in		\$171.08	\$204.44	\$214.66	\$225.39	\$236.66
	2-in		\$270.61	\$323.38	\$339.55	\$356.53	\$374.36
	3-in		\$502.86	\$600.92	\$630.97	\$662.52	\$695.65
	4-in		\$834.65	\$997.41	\$1,047.28	\$1,099.64	\$1,154.62
	6-in		\$1,664.12	\$1,988.62	\$2,088.05	\$2,192.45	\$2,302.07
	Volumetric Charges*	Widths	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	Tier 1	0-5	\$5.40	\$6.45	\$6.77	\$7.11	\$7.47
Tier 2	5+	\$8.30	\$9.92	\$10.42	\$10.94	\$11.49	
COMMERCIAL	Fixed Charges		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	3/4-in		\$63.02	\$75.31	\$79.08	\$83.03	\$87.18
	1-in w/Fire		\$101.58	\$121.39	\$127.46	\$133.83	\$140.52
	1-in		\$101.58	\$121.39	\$127.46	\$133.83	\$140.52
	1 1/2-in		\$197.98	\$236.58	\$248.41	\$260.83	\$273.87
	2-in		\$313.66	\$374.82	\$393.56	\$413.24	\$433.90
	3-in		\$583.57	\$697.37	\$732.24	\$768.85	\$807.29
	4-in		\$969.16	\$1,158.15	\$1,216.06	\$1,276.86	\$1,340.70
	6-in		\$1,933.14	\$2,310.10	\$2,425.61	\$2,546.89	\$2,674.23
	Volumetric Charges*	Widths	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	Tier 1	0-18	\$8.28	\$9.90	\$10.40	\$10.92	\$11.47
	Tier 2	18+	\$11.22	\$13.40	\$14.07	\$14.77	\$15.51
FIRE	Fixed Charges		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
	4-in		\$113.64	\$135.81	\$142.60	\$149.73	\$157.22
	6-in		\$222.11	\$265.42	\$278.69	\$292.62	\$307.25
	8-in		\$352.26	\$420.95	\$442.00	\$464.10	\$487.31

*Note: Volumetric charges include CLAWA water costs of \$2.88 per CCF of water use. If CLAWA's rates increase by more than 7.0% in any given year over the next five years, the District intends to pass through those increases to the cost per CCF. If this should occur, the pass-through increase will not cause the volumetric rate published on this notice to increase by more than 15%, and in no event shall such increase cause the water rates to exceed the cost of service. The District will provide mailed notice at least 30 days prior to implementing such a pass-through.

Proposed Revenue Adjustments and Water Rates

The rates for the District's three water enterprises have three components:

- (1) a fixed monthly charge; and
- (2) volumetric rates that vary based on how much water a customer uses.
- (3) fire charges, which are imposed only on certain parcels that have a dedicated private fire line installed on their parcel.

The rates for the fixed monthly charge are established on the basis of the size of the meter at the property receiving water service and are calculated to recover a portion of the District's fixed costs, such as water facilities repairs and replacements, meter reading, billing, and customer service.

The volumetric rates, billed per hundred cubic foot (CCF), are calculated based on the cost of developing water supplies, ground water and surface water, purchasing water from sources other than Lake Arrowhead, managing the District's water resources, and distributing water throughout the system to customers. Together, the two components (fixed and volumetric) are calculated to recover the proportionate cost of providing water service attributable to parcels within each service area.

Proposed Wastewater Revenue and Rate Adjustments

The District's wastewater rates are designed for two customer classes: residential and commercial/institutional. Wastewater revenue increases are designed to keep up with inflation impacting the District's operations and maintenance costs, and renewal and replacement funding needs. Rates for residential customers are based on a fixed monthly charge and are structured to recover the costs of operating and maintaining of the wastewater system and to proportionately allocate these costs attributed to residential properties that receive wastewater services.

The non-residential wastewater rates are comprised of two components—a fixed monthly charge and a flow-based, or volumetric charge. The fixed monthly charge is structured to recover a portion of the fixed costs of operating and maintaining the wastewater system. The variable charge is determined on the basis of the amount of metered water delivered to the property and engineering assumptions about the amount of water returned to the sewer system and treated at the District's wastewater treatment plant. Volumetric charges apply to customers who return more than 5 CCF to the system.

This volumetric charge is structured to recover a proportionate share of the District's variable costs of operating and maintaining the wastewater system. Together, the two components of the rate structure are calculated to allocate the costs of providing wastewater service proportionately to parcels receiving this service.

PROPOSED SEWER RATES					
FIXED CHARGES	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Residential	\$55.72	\$57.73	\$59.81	\$61.96	\$64.19
Commercial	\$55.72	\$57.73	\$59.81	\$61.96	\$64.19
VOLUMETRIC CHARGES	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Commercial Use >5 CCF	\$8.34	\$8.64	\$8.96	\$9.28	\$9.61

Supplemental Water Fee Allocation

The District previously collected a Supplemental Water Supply Fee in order to reduce or eliminate reliance on Lake Arrowhead water as the District's sole source of water supply. Although the District ceased collecting the Supplemental Water Supply Fee in 2018, these funds are still hard at work for property owners within the District. The District plans to spend remaining funds primarily on capital improvements to reduce reliance on Lake Arrowhead water, such as expanding water supply through the use of groundwater wells. Funds will also be spent on imported water, to a lesser extent.

Any record owner of a parcel upon which the proposed water and/or wastewater service charges are proposed to be imposed or any tenant directly responsible for the payment of water and/or wastewater charges (i.e., a customer of record who is not a property owner) may submit a written protest to the proposed adjustments to the rates for the District's water and wastewater service fees; provided, however, only one protest will be counted per identified parcel. Each protest must: (1) be in writing; (2) state whether the protest is submitted in opposition to the rate increases to the water and/or wastewater service fees; (3) provide the location of the identified parcel (by service address or assessor's parcel number); and (4) include the name and signature of the person submitting the written protest.

Written protests may be submitted by mail to: Board of Directors, Lake Arrowhead Community Services District, P.O. Box 700, Lake Arrowhead, CA 92352. Written protests may also be submitted in person at the District's office at 27307 State Highway 189, Blue Jay, CA 92317 (dropbox available) or at the public hearing (see date, time and location on the back page). All written protests must be received prior to the conclusion of the public input

portion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a formal written protest. Please identify on the front of the envelope for any protest, whether mailed or submitted in person, **Attn: Public Hearing on the Proposed Increase to Water and/or Wastewater Rates.**

The Board will consider all written protests submitted and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the public hearing, the Board of Directors will determine whether to adopt the proposed rate increases to the water and wastewater service fees. If, after the close of the public hearing, written protests against any of the proposed rate increases as outlined above are not presented by a majority of the record owners of the identified parcels upon which they are proposed to be imposed, the Board of Directors will be authorized to impose the rate increases.

Please be aware that, pursuant to Government Code section 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge for water or sewer service.



**Lake Arrowhead
Community Services District**

P.O. Box 700
Lake Arrowhead, CA 92352

PRESORTED
First Class
U.S. Postage
PAID
Permit #336
Anaheim, CA

RATES NOTICE

www.LakeArrowheadCSD.com

Notice of Public Hearing

Date: **March 22, 2022** • Time: **5:30 p.m.** • Location: **LACSD Blue Jay Board Room**
27307 State Highway 189, Suite 104, Blue Jay, CA 92317

The District currently intends to hold the public hearing in person. In the event the District determines that, due to public health conditions it is necessary or prudent to hold the public hearing virtually, information on how to attend the meeting virtually will be posted to the District's website as soon as it is available, and will be included in the agenda for the public hearing.

Why are you receiving this notice?

The Board of Directors has reviewed the current water and wastewater rates and determined that rate adjustments are necessary to recover sufficient revenues to operate and maintain the District's water and wastewater systems. The proposed rates for the water and wastewater service fees will provide revenues that

- (1) recover costs reasonably borne in providing the services;
- (2) are equitable to all customer classes; and
- (3) are proportionate to the cost of the service attributable to the parcels within each customer class.

If imposed, the adjustments for the water and wastewater rates are proposed to be effective for services provided on or after April 1, 2022 and April 1 for each subsequent year as specified with no additional required action or notice by the District.

Customers receive either a combined monthly bill which shows charges for both water and wastewater services, or a bill for water or wastewater services only. The proposed rates represent the maximum rates for each year of a five-year rate plan. The LACSD Board of Directors may determine to adopt rates at a lesser amount but not higher.

The proposed rate increases were developed through an analysis of the District's budget and financial information by an independent rate consultant. This information became the basis for a study that calculated the proposed rates.