

HOME GARDENS SANITARY DISTRICT

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

JUNE 6, 2023

The special meeting of the Board of Directors of the Home Gardens Sanitary District was called to order by the President, Salvador Cacho at 6:00 p.m. at Home Gardens Academy, 13550 Tolton Ave., Corona, CA 92879. The meeting was noticed in compliance with the Brown Act and Article XIIIID of the California Constitution and mailed notice and newspaper notice of the meeting was duly given for the sewer rate increase public hearing.

Directors present were: Cacho, Barajas, Garrison, Samson Runion and Serrato. Also present were: Alan Burns, District Counsel; Jeff Sims, District Engineer; Tracey LaBonte, General Manager; Tania Duarte, Administrative Assistant. Also present was consultant: David Crosse, Bartle Wells Associates. Approximately 40 patrons were also present.

District Counsel Alan Burns presented the following overview of the hearing: Proposition 218 was passed by the voters in 1996 and imposes substantive and procedural requirements on the District with respect to increasing any property-related fees. The law provides that each

— “property-related fee” must meet the following tests:

1. Revenues derived from the fee or charge must not exceed the funds required to provide the property related service.
2. Revenue from the fee or charge must not be used for any purpose other than for which the fee or charge is imposed.
3. The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel.
4. The fee or charge may not be imposed for services unless the service is actually used by, or immediately available to, the owner of the property in question.
5. No fee or charge may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners.

— President Cacho introduced David Crosse, Bartle Wells Associates

David Crosse presented a report for the proposed sewer rates prepared by Bartle Wells Associates in which it documents how each of the tests have been met. The charges proposed cover a five-year period and allow automatic adjustments as allowed by Government Code 53756. This written report was made available to the public for their review

and is part of the Administrative Record. Copies were provided to many attendees of the hearing.

President Cacho asked Manager LaBonte if all the appropriate mailings and publishing of notice for this hearing occurred. Manager LaBonte stated that the notices and mailings had been duly made and reported that notices were mailed to all 1570 accounts and notices were published in the Press Enterprise and in three locations in the District.

President Cacho asked Manager LaBonte to give a status report on the protests that have been received to date. Manager LaBonte reported that the District received 309 protests.

Public Hearing for a Sewer Rate Increase

The public hearing item was announced for the Sewer Rate Hearing by President Cacho at 6:06 p.m. That hearing was conducted in compliance with Article XIIIID (Proposition 218).

President Cacho opened the public hearing with a reminder that "by law", only written protests will count, and each speaker is limited to 5 minutes. A summary of the testimony follows:

Jacqueline Aguillar - Does anyone speak Spanish here? Can you translate everything? We are a Spanish community. Everything since it started from 6:00 till now. We are a Spanish community.

Ronald Williams - I have lived in Home Gardens for 47 years. We Home Gardens are the smallest. Right now, we are pumping approximately 5,000 gallons a day. Some other regions are pumping 3 to 7 million gallons per day. I don't understand why we are having to pay equal to people that are bringing in 10 times more than what we are to the plant. We only allotted 5% of that plant. Jurupa got 43%, Corona got 19%, Norco got 19%, Western got 14%, Home Gardens got 5%. Why we have to pay so much. Home Gardens is not going to grow anymore. In September 2016 it increased to \$42, September 2017 went to \$60, 2018 went to \$68, 2019 went to \$72. Now you're proposing another 5 increases. This will make 9 increases in 12 years. We are a low-income community.

Leticia Castillo - I want to address this to you, you, Cacho, all of you, because you guys have been here for a long time. You guys know us all. You guys know that this is a low-income community and there are retired individuals, fixed income individuals. You guys are put in these positions to fight for us, not to come in and bend over for this kind of people when they tell you, hey this is what we have to do. You are in those positions to fight for us. Your profiles on the internet all say we are here because we care about the people and that is not what you are doing. People are barely making it by

putting food on their tables and you guys want to increase these prices. That's not ok. Is it going to take for someone to replace the people on the Board, with people who really care for the citizens of this community, instead of just saying, as long as they're giving us our portion of it. I know all of you. Its like you're hurting your own family by increasing and approving this.

Jerusha Lumley - I grew up here. Now I am a public-school teacher and I love this community. What I noticed and this is in your packet, that talks about the projected expenses and most of the categories here went up by a couple hundreds to may be one thousand per year. What I noticed which is odd, that mainly the salaries and administration costs and something called WRCRWA, which I am sorry I don't know how to explain what that is. I noticed they went up by about 10 grand each year. Most of these things are going up exponentially one way, but salaries and admin costs are going up exponentially more. I am wondering if raising rates seems that are covering salaries and admin costs. To me that's what I see when I look at the hard data.

Jose Martinez - I am also a resident of Home Gardens. Some of my questions are, where are these increases going to? Are there any capital projects going on? I want to know where all the money is going to. I want public records of all of you on what prior to the last increase on how much their salaries were. I haven't seen any major projects. The area is 50% low-income and retired. We have a

retirement home in the area. Hopefully someone is willing to meet with me, I am more than happy to share ideas on how we want you guys to help us. I've never seen Home Gardens make any public event, go out and see what we do, see what we offer, give the community any grants or grants to families or vouchers to help them pay for their bills.

Kerri Mahoney - One thing I noticed is compared to other utilities, we can't go on the internet, we can't make a credit card payment, I can't look at my past bills. I'm a school teacher too and I race home to call before 4:00 because I have some concerns about my payments and I get a voicemail, but the little post card says you're open till 4:30, why am I getting your answer machine at 4:00. It's hard to get in touch with somebody. The bill is the size of a postcard, some months I get it, some months I don't. I get late fees for bills I never received and then when I get my bill it didn't tell me what I was paying for. I feel like our water usage should be correlated with our sewage. When it comes to electricity, I can say we are not running the air conditioner, we are not turning on the light. I can't do that with sewage. It's a flat fee no matter what.

Jenny Lumley - I was on your website looking at your audit and I didn't have time to really look through it, but I noticed it said in there 7 million dollars. Is that what you have in the bank or is that what is going out?

Leticia Castillo - Anyone else wants to say something to remind them that they are in that position to support us, and we put our confidence in them? You guys need to tell them, each one of you need to stand up and remind them that they are there for us instead of staying silent. Each one need to say I want to speak, even if it's in Spanish.

President Cacho closed the public hearing and asked Manager LaBonte to give a status report on the protests that have been received to date.

Manager LaBonte stated that the District has received 311 protests out of a total connections numbering 1570. President Cacho announced the protest failed.

Motion was made by Director Barajas, seconded by Director Serrato to adopt the rates. After discussion the matter was unanimously carried with a vote of 5-0 to adopt Ordinance No. 517 increasing sewer rate charges effective July 1, 2023.

Public Hearing for a Capacity Fee Increase


The public hearing was moved to July 25, 2023, to allow for the Report to be revised.

There being no further business President Cacho adjourned the meeting at 6:33 p.m.

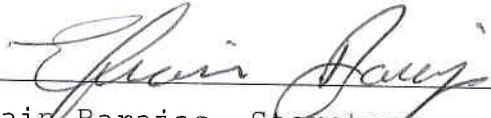


Efrain Barajas, Secretary

The foregoing minutes were approved by the Board of Directors of the Home Gardens Sanitary District at the regularly scheduled meeting of said Board June 27, 2023.

Signed: 

Salvador Cacho, President



Efrain Barajas, Secretary

Ordinance No. 517
(General Regulation)

WHEREAS, the District has adopted an Operations Code and has set forth therein that sewer rates shall be as provided in Article 4, specifically Section 700 thereof; and

WHEREAS, those rates have not increased since 2019 and District revenues will no longer meet District expenses; and

WHEREAS, sewer rates are “property-related services” and as such are subject to Proposition 218, and in particular the provisions of California Constitution, Article XIID and may not be increased unless the procedural and substantive requirements of that law have been met; and

WHEREAS, the District has proposed that the rates be increased and has authorized a study by Bartle Wells Associates, an independent public finance advisor, to justify the rate increase and to meet the substantive requirements of Proposition 218; and

WHEREAS, the District has sent mailed notice to those properties receiving sewer service at least 45 days in advance of this hearing; and

WHEREAS, the Board has conducted a protest hearing regarding those rates proposed to be increased and the protest failed; and

WHEREAS, the Board of Directors does find that the rate increases are appropriate and meet the requirements of Proposition 218;

NOW, THEREFORE, the Board of Directors does hereby ORDAIN as follows:

Section 1. That Section 700 of the District Operations Code is hereby amended to read:

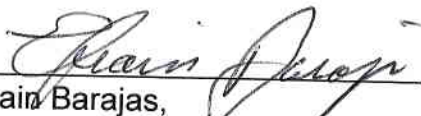
“Every person whose premises in the District are served by a connection with the system of sewerage of the District, whereby the sewage or industrial wastes, either or both, are disposed of by the District, shall pay a sewer service charge as follows on or as often as the respective date set forth:

	Current:	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
Single Family Dwelling	\$36.00	\$40.00	\$45.00	\$50.00	\$56.00	\$62.00
Apartment Unit	\$36.00	\$40.00	\$45.00	\$50.00	\$56.00	\$62.00
Hotel, motel, auto court with cooking facilities	\$36.00	\$40.00	\$45.00	\$50.00	\$56.00	\$62.00
Hotel, motel, auto court w/o cooking facilities	\$18.00	\$20.00	\$22.50	\$25.00	\$28.00	\$31.00
Hotel, motel, auto court water closet	\$24.74	\$20.00	\$22.50	\$25.00	\$28.00	\$31.00
Rooming house, plus	\$36.00	\$40.00	\$45.00	\$50.00	\$56.00	\$62.00
-each room	\$9.01	\$10.00	\$11.25	\$12.50	\$14.00	\$15.50
Restroom in cemetery or park	\$54.00	\$60.00	\$67.50	\$75.00	\$84.00	\$93.00
Laundromat, plus	\$36.00	\$40.00	\$45.00	\$50.00	\$56.00	\$62.00
-each washing machine	\$9.01	\$10.00	\$11.25	\$12.50	\$14.00	\$15.50
Trailer park, plus	\$36.00	\$40.00	\$45.00	\$50.00	\$56.00	\$62.00
Office within the park	\$22.50	\$25.12	\$28.26	\$31.40	\$35.17	\$38.94
Laundry room	\$22.50	\$25.12	\$28.26	\$31.40	\$35.17	\$38.94
Washing machine	\$9.01	\$10.00	\$11.25	\$12.50	\$14.00	\$15.50
Additional room with water service	\$18.00	\$20.00	\$22.50	\$25.00	\$28.00	\$31.00
Beauty shop, plus	\$54.00	\$60.00	\$67.50	\$75.00	\$84.00	\$93.00
-each employee	\$9.01	\$10.00	\$11.25	\$12.50	\$14.00	\$15.50
Café or restaurant w/seating of 30 or less	\$112.50	\$125.11	\$140.74	\$156.38	\$175.14	\$193.91
-each additional 5 seats or part thereof	\$18.00	\$19.90	\$22.39	\$24.88	\$27.86	\$30.85
Commercial establishment	\$36.00	\$40.00	\$45.00	\$50.00	\$56.00	\$62.00
-each employee	\$5.41	\$6.08	\$6.84	\$7.60	\$8.51	\$9.42
Service station w/convenience store	\$117.01	\$130.41	\$146.70	\$163.00	\$182.56	\$202.12
Service station w/o convenience store	\$72.00	\$80.00	\$90.00	\$100.00	\$112.00	\$124.00
Industrial establishment or manufacturing business	\$72.00	\$80.00	\$90.00	\$100.00	\$112.00	\$124.00
-each employee (domestic sewage only)	\$5.41	\$6.08	\$6.84	\$7.60	\$8.51	\$9.42
Schools - per pupil	\$0.30	\$0.33	\$0.37	\$0.41	\$0.46	\$0.51
Schools - per employee	\$0.30	\$0.33	\$0.37	\$0.41	\$0.46	\$0.51
Bar, tavern, cocktail lounge, billiard hall, pool parlor, or game room serving beverages and/or sandwiches or snack foods w/seating of 30 or less	\$72.00	\$80.00	\$90.00	\$100.00	\$112.00	\$124.00
-each additional 5 seats or part thereof	\$2.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Car Wash, automatic (\$/CCF)		\$3.04	\$3.42	\$3.80	\$4.26	\$4.72
-per bay	\$51.84	\$60.88	\$68.48	\$76.09	\$85.22	\$94.35
Gym or training Facility (\$/CCF)		\$4.00	\$4.50	\$5.00	\$5.60	\$6.20
-per 1,000 sqft	\$36.00	\$40.00	\$45.00	\$50.00	\$56.00	\$62.00
Medical/Dental, plus	\$54.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
-each employee	\$9.01	\$40.00	\$45.00	\$50.00	\$56.00	\$62.00

Section 2. Should any part, clause, or section of this Ordinance be declared by any Court of competent jurisdiction to be invalid, the remaining provisions of this Ordinance shall nevertheless be and remain in full force and effect, and the Board of Directors of the Home Gardens Sanitary District hereby declares that each and every section, clause, provision, or part of this Ordinance without the adoption of any portion thereof and that the invalidity of any part or provision hereof shall not in any way affect the validity or enforcement of the remaining provisions of this Ordinance that may stand on their own.

Section 3. Pursuant to Health and Safety Code Sections 6490 and 6491.3, the Clerk shall cause this ordinance to be posted in three public places according to law and it shall be effective seven (7) days thereafter.


PASSED and ADOPTED this 6th day of June, 2023.


Efrain Barajas,
SECRETARY-TREASURER


Salvador Cacho, PRESIDENT

APPROVED AS TO FORM:

HARPER & BURNS LLP


Alan Burns, DISTRICT COUNSEL