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**FOR IMMEDIATE RELEASE**

**RELEASE DATE:** THURSDAY, APRIL 28, 2011

**RUN THROUGH DATE:** THURSDAY, MAY 12, 2011

**FROM:** **McKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
**NORMAN SHOPAY, GENERAL MANAGER**  
**(707) 839-3251**

**SUBJECT: WATER AND SEWER CAPACITY FEE DISCUSSION AND WORKSHOP**

Workshop to be held Thursday, May 12, 2011 at the McKinleyville Community Services District (MCSD) Office located at 1656 Sutter Road, McKinleyville CA 95519.

2 sessions will be provided (afternoon and evening)

Afternoon Session

Summary Overview presentation 2:30 pm to 3:00 pm.

Open Workshop to answer questions or provide additional information 3:00 pm to 4:30 pm.

Evening Session

Summary Overview presentation 7:00 pm to 7:30 pm.

Open Workshop to answer questions or provide additional information 7:30 pm to 9:00 pm.

These workshops are intended to discuss potential changes to our water and sewer capacity fees that are charged to "New" service connections. We will be holding these workshops before final recommendations will be brought to the MCSD Board and we want to provide you an opportunity to understand:

What is capacity fee?  
What does a capacity fee cover?  
Why the increase is needed?  
How are capacity fees calculated?

How do our current and proposed capacity fees compare to other Districts?  
How will this potentially impact my current monthly water and sewer bill?

There are three separate parts that determine your water and sewer rates.

1. Connection Fees – These are the costs to physically install a new meter and install the new water and sewer lines to connect to our utility system. It is a onetime fee paid when you connect to the system
2. Capacity Fees – This is a fee charged to only new customers who connect new water and sewer lines to our system for the first time. It is based on the demands placed on our water and sewer system that is paid by these new customers. It is not a fee charged to current customers. The fee charged goes into a reserve account to make sure we will have an adequate water and sewer capacity when it is needed. It is a “buy-in” fee for new service connections for what we have already built and a fee for what we need to build (growth) because we need to upgrade our systems to meet this additional growth.
3. Water and Sewer Rates – This is your monthly bill that recover the cost for the purchase of our water from Humboldt Bay Municipal Water Service, and the operation and maintenance of our water and sewer systems.

We will be only discussing and considering “Capacity Fees” at these workshops. A draft Water and Sewer Capacity Fee Study dated April 5, 2011 was prepared by an independent consultant. A copy of that “draft” study is available on our website or a copy can be obtained at the district office. After the capacity fees have been determine and approved by the MCSD Board of directors, we can then go on to looking at our existing water and sewer rates in order to evaluate the recent significant increased cost assessed by Humboldt Bay Municipal Water District to MCSD.

Connection fees were recently revised and updated by the MCSD Board of Directors. Proposed updates to the Capacity fees are anticipated to be brought to the MCSD Board for consideration at the May 18<sup>th</sup> or June 15<sup>th</sup> Board meeting.

If you need any assistance or help in locating the “draft” report on the MCSD web site, please call our office at 707-839-3251.

Thank You