



Attachment A

County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
Alan Weaver, DIRECTOR

October 30, 2015

APN: «APN»

«NAME1»
«NAME2»
«ADDRESS1»
«ADDRESS2»

This is an important notice about your rights under Proposition 218 relating to a proposed increase of the annual water service fee for your property.

Please read this notice carefully. If you have any questions about this notice, please contact Jerod Weeks, Staff Analyst, at (559) 600-4259 or via email at jweeks@co.fresno.ca.us.

Dear Property Owner in County Service Area No. 23 (Exchequer Heights):

This letter:

- **Gives notice of a public meeting** where you may give testimony and ask questions about the proposal to increase the annual water service fee for your property.
- **Gives notice of a public protest hearing** before the Fresno County Board of Supervisors where you may protest the proposed annual water service fee increase.
- **Explains how you can submit a letter protesting** the proposed annual water service fee increase.
- **Explains** the reasons for the proposed new annual water service fee increase, and how the increased fee was calculated.

On July 30, 2015, County staff conducted a Citizens Advisory Committee (CAC) meeting to discuss the present financial status and infrastructure improvement needs of County Service Area No. 23 (CSA 23). Members of the CAC present at the meeting voted in favor of proposing to all CSA 23 property owners an increase in annual water fees.

This notice is given under Article XIID of the California Constitution, Section 6, and the Proposition 218 Omnibus Implementation Act, Government Code, Section 53755.

Notice of Public Meeting

On **December 2, 2015 at 2:00 P.M.**, County staff will conduct a **public meeting** at the **Shaver Lake Community Center, 41344 Tollhouse Road, Shaver Lake, CA 93664**. The public

RESOURCES DIVISION

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meeting will provide you and other members of the public with an opportunity to provide relevant testimony and to ask questions about the proposed annual water service fee increase. The Fresno County Board of Supervisors will **not** take any official action to set an increased annual water service fee at this public meeting.

Notice of Public Protest Hearing

On **December 15, 2015 at 2:00 P.M.**, the Fresno County Board of Supervisors will hold a **public protest hearing** in the **meeting chambers** of the **Fresno County Board of Supervisors, 2281 Tulare Street, 3rd Floor, Fresno, California 93721**. At the public protest hearing, the Board will consider all protests against the proposed annual water service fee increase.

How You May Protest the Proposed Water Service Fee Increase

If you disagree with the proposed annual water service fee increase, you may submit a written protest. The Board will not impose the proposed annual water service fee increase if a majority of the CSA 23 property owners submit written protests against the proposed fee. **Only one written protest per parcel will be counted in calculating a majority protest.**

Written protests may be on any type of paper and may be typed or handwritten, but **must include all** of the following information:

- Information sufficient to identify the property that you own, such as the address of your property in CSA 23, the Assessor's Parcel Number (APN) for your property (your APN is listed on page one of this notice), or both;
- A written statement that you protest or disagree with the proposed annual water service fee increase; and
- Your name and signature.

If you do not protest the proposed annual water service fee increase, you do not need to submit anything in writing.

Written protests must be addressed and mailed or hand delivered to:

**Clerk to the Board of Supervisors
CSA 23 Protest Hearing (November 17, 2015)
2281 Tulare Street, Room 301
Fresno, CA 93721
HOLD UNTIL PROTEST HEARING**

To be valid and counted, written protests must be received by the Clerk to the Board of Supervisors before the close of the public protest hearing on November 17, 2015.

Explanation of the Proposed Annual Water Service Fee

The CSA 23 water system operations and maintenance (O&M) costs are paid for by annual fees charged to property owners. There are 16 properties receiving water service in CSA 23. The annual water service fees were last increased in 2009 in order to increase reserves and

generate revenue for infrastructure repairs. However, since 2009, annual O&M costs have increased by approximately 21%. The 2009 adopted water service fee structure did not include an annual inflation percentage increase to allow revenues to keep up with increased costs of operations.

This proposal is to increase the annual water service fee in order to cover increased costs to provide water service. The proposed water service fee was developed by analyzing the actual costs of O&M for the CSA 23 water system over the last three years and developing a projected O&M cost based on that data. The proposed water service fee also includes anticipated costs for known necessary capital replacement and repair projects.

Anticipated capital replacement and repair costs include the replacement of 2 well pumps which have a known life cycle and can be expected to need repair or replacement every 7 to 9 years during normal operations. Another anticipated capital cost included in the proposed water service fee is a necessary repair to the roof of the booster pump building. A one-time contingency amount of \$3,500 for miscellaneous infrastructure repairs is also included in the costs used to calculate proposed water service fee.

The projected O&M cost for the first year of the proposed water service fee is \$15,676 which is \$979.75 per customer. Also included in the proposed annual rate is an annual operating reserve component to attain a 50% cash reserve of the previous three years average operating expenses in five years. The proposed operating reserve component for the first year of the proposal is \$15.21 per customer. In addition, the capital replacement and repair reserve component of the proposed water service fee is \$3,075 per year, which is \$192.19 per customer. Including all three components, the total first year proposed water service fee is \$1,187.15 per customer.

The proposed annual water service fee includes an annual inflation factor equal to the average annual change for the San Francisco-Oakland-San Jose Consumer Price Index – All Items (SFCPI-U) up to a maximum 3% annual inflation increase for a five-year period (effective July 1 of each year beginning on July 1, 2016, with the last increase to occur on July 1, 2019) to ensure that the water fee maintains pace with the economy and to allow the district to comply with the County of Fresno Board of Supervisors 50% cash reserve requirement within five years.

The proposed annual water service fee is as follows:

FIVE YEAR PROPOSED ANNUAL FEE WITH MAXIMUM 3% INFLATION						
Fiscal Years	Current Fee	Effective 7/1/15	Effective 7/1/16	Effective 7/1/17	Effective 7/1/18	Effective 7/1/19
Yearly Rate	\$779.56	\$1,187.15	\$1,217.00	\$1,247.74	\$1,279.41	\$1,312.02
Monthly Equivalent	\$64.96	\$98.93	\$101.42	\$103.98	\$106.62	\$109.34

On June 30, 2015, County staff met with the CSA 23 CAC to discuss the proposed annual water service fee. The various components of the proposed fee, including O&M, capital replacement needs, and an annual inflation percentage increase, were discussed. The CAC directed staff to move forward with the proposed water service fee for property owners of CSA 23.

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The proposed annual water service fee increase, if not opposed by a majority of the property owners, and if approved by the Fresno County Board of Supervisors at the public protest hearing on December 15, 2015, will be implemented on your annual water service fee, billed once a year.

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