

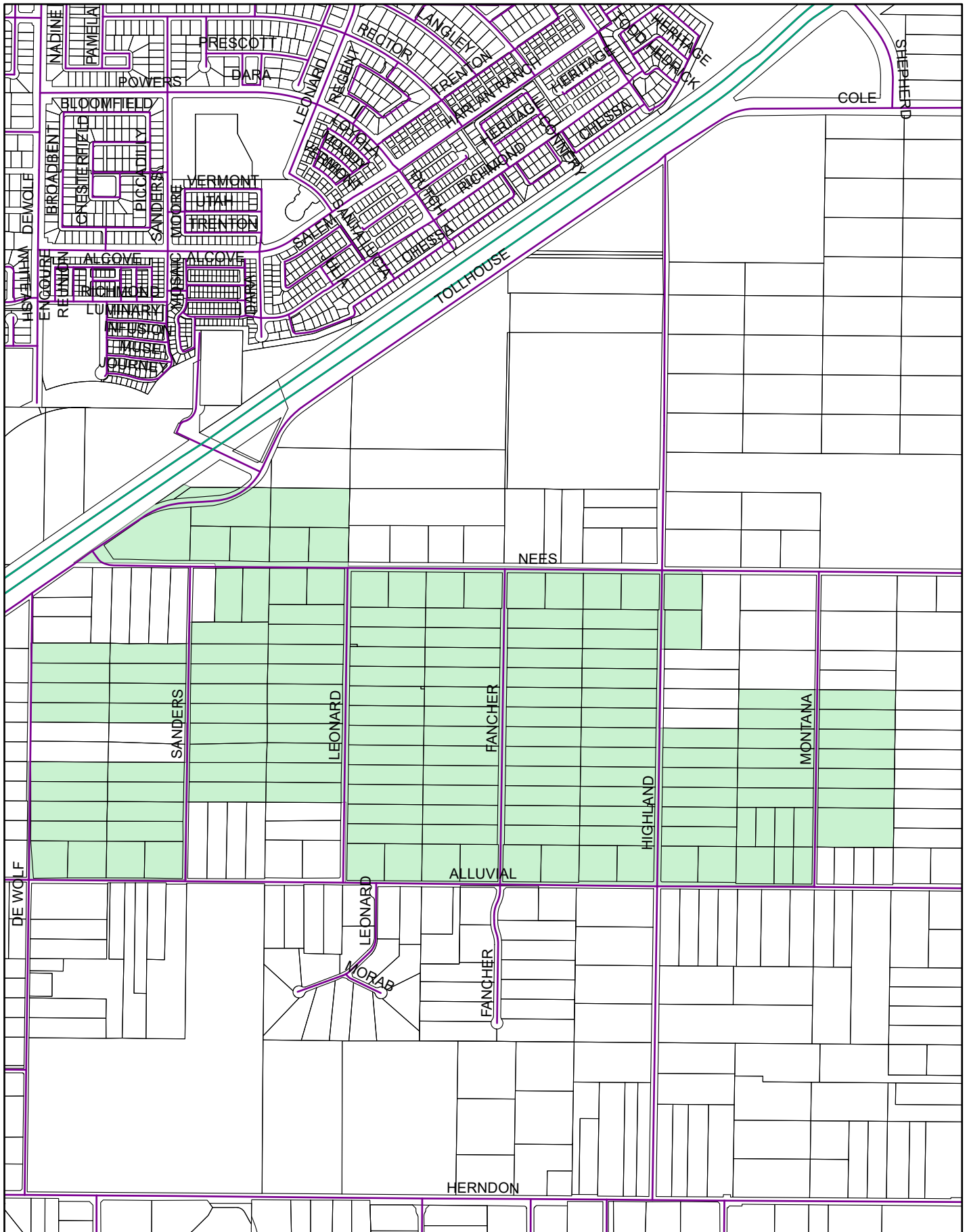
Table 1 - MONTHLY <u>WATER FEE</u> - FY 2019-20 Through FY 2022-23					
	Effective 3/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Residential Base	\$148.08	\$152.52	\$157.10	\$161.81	\$166.66
Water Usage (Per 1,000 gallons)	\$0.50	\$0.52	\$0.54	\$0.56	\$0.58



WWD 42

Public Works and Planning

Exhibit B





Notice of a Public Meeting and Public Protest Hearing on Proposed Water Service Fee Increase for Waterworks District No. 42, Alluvial-Fancher Subdivision

APN #:

Dear Property Owner:

This is an important notice regarding your rights under Proposition 218 relating to proposed water service fee increase for the cost of water services within Waterworks District No. 42, Alluvial-Fancher subdivision.

Read this notice carefully. If you have any questions, please contact Meng Moua, Staff Analyst, County of Fresno Department of Public Works and Planning, Resources Division, 2220 Tulare Street, 6th Floor, Fresno, California 93721, by telephone at (559) 600-4259 or by email at mmoua@fresnocountyca.gov

This letter:

- **Gives notice of a public meeting** where you may give testimony and ask questions about the proposed water service fee increase and Proposition 218 process.
- **Gives notice of a public protest hearing** before the Fresno County Board of Supervisors where you may protest the proposed water service fee increase.
- **Explains how you can submit a letter protesting** the proposed water service fee increase.
- **Explains** the proposed water service fee increase.

This notice is given under the California Constitution, Article XIII D, section 6, and California Government Code sections 53755.

Notice of Public Meeting

You are notified that on January 7, 2020, at 6:00 p.m., there will be a public meeting at Clovis Police Department Community Room, 1233 Fifth St Clovis CA 93612. The meeting will be open to all members of the public. During the meeting, members of the public may give testimony regarding the proposed water fee increase. Staff from the County of Fresno (County) will also be present to answer questions. There will be no official action to impose the proposed fee increase at this meeting. The County staff person who conducts the meeting may continue it to a later date without further notice by the Board of Supervisors, but in any case, the meeting must be completed not later than **January 7, 2020.**

Notice of Public Protest Hearing

You are notified that on **January 21, 2020**, at **9:00 a.m.** (or as soon after as practicable), the Board of Supervisors (Board) will conduct a public protest hearing on the proposed water service fee increase. The public protest hearing will happen in the Board's regular meeting chambers in the **Hall of Records, 2281 Tulare Street, Third Floor, Fresno, California 93721**. The public protest hearing will be open to all members of the public. During the hearing, any person may present relevant oral or written testimony to the Board, and the Board will consider all objections or protests to the proposed water service fee increase. During the hearing, the Board may decide to continue the hearing to a later date without further notice.

How to Protest the Proposed Water Service Fee Increase

If you disagree with the proposed water service fee increase, you may submit a written protest. The Board will not impose the increased water service fee if a majority of the Waterworks District No. 42, Alluvial-Fancher subdivision's (WWD 42) property owners or tenants submit **written protests** against the proposal. **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 affected property that you own or rent, such as the address of your property in WWD 42, the Assessor's Parcel Number (APN) for your property (the APN for your property is listed on the first page of this notice), or both;
- A brief written statement that you protest or disagree with the proposed fee increase; and
- Your printed full name and signature.

Written protests must be addressed, exactly as follows, and mailed or hand delivered to:

**Clerk to the Board of Supervisors
Alluvial/Fancher Water Fee Protest Hearing (January 21, 2020)
HOLD UNTIL PROTEST HEARING
2281 Tulare Street, Room 301
Fresno, CA 93721**

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 January 21, 2020.

If there is not a majority protest, the Board may impose the proposed water service fee increase.

Explanation of the Proposed Water Service Fee Increase

The current water service fee was approved by the Board on February 5, 2008. Currently, the water service expenses for WWD 42 have exceeded water service revenues by approximately \$17,000 for fiscal year 2018-19. This difference was funded through WWD 42's reserves. For the fiscal year 2019-2020, staff estimates that approximately \$17,000 will be needed from WWD 42's reserves to meet its operation and maintenance needs if this water service fee is not increased.

The proposed monthly water service fee increase would improve the district's cash flow, as well as build its reserves for future infrastructure projects necessary to improve and maintain water services to the district.

The proposal is to increase the water service fee by restructuring the monthly water rate to include the following components:

- 1) The Residential Base fee: this fee is a flat rate and is the same rate for all households.**
- 2) The Water Usage fee: this fee is based on the electrical cost to pump water.**

The proposed Residential Base fee is based on the projected 2018-19 fiscal year annual costs (\$162,400) to operate, maintain, and administer the water distribution facilities services for WWD 42 minus the projected variable electrical costs (\$40,000). This cost (\$162,400-\$40,000) is shared equally among the 104 connected parcels and spread over 12 months. The Residential Base fee also includes an additional \$50 per month to build the district's reserve for future infrastructure projects, which will improve and maintain water delivery services. For example, the current infrastructure is over 40 years old. To date, no major components has been replaced. The estimated cost to replace the major components is \$339,000, which includes three hydropneumatic tanks (\$255,000), three pumps and motor (\$18,000), and three sand separators (\$60,000). The \$50 per month will generate \$312,000 (\$50 x 104 parcels x 12 months x 5 years) over five years; this will help build the reserve to replace the major components, when and if it is needed, but is not limited to just the major components. The Residential Base fee is 148.08/month and was calculated by $(\$162,400 - \$40,000) / (104 \text{ parcels} \times 12 \text{ months}) = \$98.08 + \$50 = \$148.08/\text{month}$.

The Water Usage fee was calculated by dividing the projected utility cost by the gallons of water used by all 104 parcels during fiscal year 2018-19 ($\$40,000 / 80,217,435 \text{ gallons} = \$0.000499/\text{gallon}$ or $\$0.50/1,000 \text{ gallons}$).

Each residential connection would be charged the Residential Base fee, plus the Water Usage fee for actual water usage. The specific amount of each bill would depend on the amount of water actually used each month. It could fluctuate up or down depending on the water usage each month. As an example, and for your reference purposes only, an average household located within WWD 42 used 274,681 gallons during July and August 2019 and 67,921 gallons of water during November and December 2018.

Proposed Water Service Fee:

The proposed water service fee (more specifically the Residential Base fee component) accounts for all operations, maintenance, and administrative costs needed to maintain the water system over a five-year period starting on March 1, 2020.

The following table details the proposed water service fee:

Table 1 – PROPOSED MONTHLY WATER SERVICE FEE - FY 2019-20 Through FY 2022-23					
	Effective 3/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Residential Base	\$148.08	\$152.52	\$157.10	\$161.81	\$166.66
Water Usage (Per 1,000 gallons)	\$0.50	\$0.52	\$0.54	\$0.56	\$0.58

If approved by the Board of Supervisors, the total monthly water service fee would be billed on a bimonthly basis; therefore, the property owners would receive a bill every other month for two months of service or double the monthly water service fee.

The proposed water service fee increase includes inflation adjustments of 3.0% annually over a five-year period, rounded to the nearest cent (effective July 1 of each year beginning on July 1, 2020, with the last adjustment to occur on July 1, 2023).

Additional Information

The proposed water service fee increase, if not opposed by a majority of the property owners, and if approved by the Board at the public protest hearing on January 21, 2020, will be implemented on March 1, 2020. Property owners would first see this change on the March/April bill, which they can expect to receive in May 2020.

If the proposed water service fee increase is not imposed due to a “majority protest,” as defined above, then the current fees will remain in effect and County staff will schedule a public community meeting to discuss other options to bring revenues into alignment with costs.