



# County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING  
STEVEN E. WHITE, DIRECTOR

October 30, 2024

APN:<<APN>>

Property Owner or Current Resident

<<ADDRESS>>

<<ADDRESS>>

## NOTICE

Subject: **Notice of Proposed Increases and Changes in Water Service Fees for Fresno County Waterworks District 37 (Mile High) (Proposition 218 Process)**

Dear Property Owner or Customer receiving water service from Fresno County Waterworks District 37:

The Fresno County Waterworks District 37 (Mile High) (WWD 37) currently provides water service to 41 parcels that include residential customers. The WWD 37 community water system relies on rates paid by property owners or customers receiving water service to fund the costs of running the community water system that provides the water service.

### **Why you are receiving this notice.**

You are receiving this notice because you either own property in WWD 37 or are a customer (*i.e.*, tenant) receiving WWD 37 water service.

Water service rate adjustments are needed to keep up with WWD 37 cost increases, keep the WWD 37 community water system in good working condition, and for WWD 37 to repay the County for amounts that have been incurred but have not yet been charged to property owners or customers of WWD 37, and for a projected budget shortfall in FY2024/25.

As discussed below, the Fresno County Board of Supervisors, as the governing board of WWD 37 (the Board), will hold a public protest hearing on **December 17, 2024**, to consider the proposed water rate increases and changes in water service fees in this notice.

### **Summary of this notice.**

This notice:

- Gives notice of a **public meeting** where members of the public (including property owners and their tenants) may give testimony and ask questions about the proposed water rate increases and changes in water service fees in this notice; and

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- Gives notice of a **public protest hearing** before the Board, where members of the public (including property owners and their tenants) may object to and protest the proposed increases in water service fees in this notice; and
- Explains how property owners and their tenants **currently** (as of the Board's public protest hearing) **receiving WWD 37's water service** can **submit a letter protesting** the proposed increases in water service fees in this notice, and the **deadline** for submitting that protest letter; and
- Explains the proposed increases and changes in water service fees for water service that is provided to owners of property or customers within WWD 37 who are receiving water service.

*This notice is given under Article XIII D, section 6, of the California Constitution (Proposition 218) and Government Code section 53755 (The Proposition 218 Omnibus Implementation Act).*

## **Notice of Public Meeting**

**On November 14, 2024, at 3:30 P.M., County staff, as staff for WWD 37, will conduct a public meeting at the Pineridge Elementary School Gymnasium located at 45828 Auberry Rd, Auberry, CA 93602.**

- The public meeting will provide members of the public (including property owners and their tenants) with an opportunity to provide relevant testimony to WWD 37 staff and to ask questions about the proposed increases in water service fees in this notice.
- The Fresno County Board of Supervisors (Board) will not be present, and WWD 37 will not take any official action to increase or change water service fees at this public meeting.

## **Notice of Public Protest Hearing**

**On December 17, 2024 at 9:30 A.M. (or as soon as practicable thereafter as the Board determines), the Board will hold a public protest hearing at the Fresno County Hall of Records, 2281 Tulare Street, Room 301, Fresno, California 93721.**

- At the public protest hearing, the Board will consider all timely objections and written protests against the proposed increases in water service fees in this notice submitted by property owners (including their tenants) currently (as of the Board's public protest hearing) receiving WWD 37's water service.
- Depending on the outcome of the public protest hearing, the Board may take action, discussed below.

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## How to Protest the Proposed Water Service Fee Increase

***Each property owner (including their tenants) currently (as of the Board's public protest hearing) receiving water service from WWD 37 has the following rights.***

If you **disagree** with the proposed increases in water service fees in this notice, you may **timely submit** a valid written protest to the Clerk of the Board of Supervisors, as explained below.

The Board will not impose the increases in water service fees in this notice if the Board determines that a majority of the property owners (including their tenants) currently (as of the Board's public protest hearing) receiving water service from WWD 37 submit **timely, valid written protests** against the proposed increases in water service fees in this notice (this is also known as a "**majority protest**").

A "**majority protest**" is calculated based on the following:

- Written protests may only be submitted by property owners or their tenants **currently** (as of the Board's public protest hearing) **receiving WWD 37's water service**.
- Such persons only need to submit **one (1)** timely, valid written protest on behalf of their parcel concerning the proposed increases in water service fees in this notice.
- Only **one (1)** timely, valid written protest per parcel **currently** (as of the Board's public protest hearing) **receiving WWD 37's water service** will be counted in calculating a majority protest.
- Any such owner or co-owner, or any such tenant, of such a parcel may submit a **timely, valid, written protest**.
- If any such property owner, co-owner, or tenant for a parcel **currently** (as of the Board's public protest hearing) **receiving WWD 37's water service** submits a timely, valid written protest, then **one (1)** protest will be counted **for that parcel**. (Or, if all of them submit a timely, valid written protest, then only **one (1)** protest will be counted for that parcel).

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

- Information sufficient to **identify** the property that you own or rent, which is currently (as of the Board's public protest hearing) receiving water service from WWD 37, such as the address of your property, the Assessor's Parcel Number (APN) for your property (your APN is listed on the first page of this notice), or both;
- A written statement that you **protest or disagree with** the proposed increases in water service fees in this notice; and

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- **Your signature.** Although the written protest may be typed, your signature must be handwritten.

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

Clerk of the Board of Supervisors  
WWD 37 Protest Hearing (December 17, 2024)  
2281 Tulare Street, Room 301  
Fresno, CA 93721

**HOLD UNTIL PROTEST HEARING**

- To be considered as **timely submitted**, a written protest must be **received** by the Clerk of the Board of Supervisors **before** the **close** of the Board public protest hearing, which currently scheduled to close on **December 17, 2024**. The date of U.S. postmark of any mailed protest will be disregarded for that purpose.
- Written protests that are submitted **late** will be **disregarded**.
- Protests will **not** be received by any means other than as stated above. For example, email, or fax, or telephone are **not** acceptable forms of submitting your written protest. Electronic signatures are not acceptable.
- Only written protests from property owners or their tenants currently (as of the Board's public protest hearing) receiving WWD 37's water service that are timely submitted, as required above, will be counted after the close of the public protest hearing.

The Board reserves the right to determine whether any protest submitted against the proposed increases in water service fees in this notice is **timely and valid**, and from property owners or their tenants currently (as of the Board's public protest hearing) receiving WWD 37's water service.

The Board reserves the right to postpone the public protest hearing, including the close of the public protest hearing, to a future date that would be specified by the Board.

### **What Happens if there is no "Majority Protest"**

If the Board determines that there is no "majority protest," then the Board may **immediately adopt** the proposed increases in water service fees in this notice for all property owners and customers of WWD 37.

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## **Explanation of the Proposed Increases in Water Service Fees**

### ***Why are increases and changes in water service fees needed?***

On June 3, 2014, WWD 37 adopted the current water service rate structure, with fees having become effective on July 1, 2014. Fiscal Year (FY) 2018/19 was the last fee inflation increase associated with this fee, and WWD 37 revenues have fallen behind the cost to provide service to property owners or customers of WWD 37.

In recent years, WWD 37 has operated at a deficit meaning that expenses are greater than revenues needed to sustain the operation of the WWD 37 community water system. For example, in FY2024/25, WWD 37 expects to incur about \$54,100 in expenses to operate and maintain the community water system; with current revenues of only \$50,500, operating expenses are greater than revenues resulting in a projected deficit of about \$3,600 just for FY2024/25. That deficit does **not** take into account other charges, discussed immediately below.

Due to deficit spending, WWD 37 has depleted its available cash reserves. In addition, the WWD 37 community water system needs corrosion control improvements to provide safe and reliable drinking water. WWD 37 service fee rate increases and changes in the WWD 37 water service fees are needed to fully fund WWD 37 operating costs, upgrade the WWD 37 community water system, build a cash reserve of at least \$33,000 by the end of Fiscal Year 2028/29 (as required by the Board's policy for special districts), improve the financial condition of WWD 37, and repay the County in FY2025/26 and FY 2026/27 for past costs incurred as of July 1, 2024 (\$17,400) but not yet charged to WWD 37, and for a projected budget shortfall of approximately \$20,500 for FY2024/25 (such shortfall to occur regardless of whether these service fees are increased under this Proposition 218 proceeding) (i.e., a total of \$37,900), plus the County's estimated annual internal interest rate on such unpaid costs and budget shortfall.

### ***Proposed Increased Monthly Water Service Rates, and Changes in Such Rates***

WWD 37's current water service fee rate structure is composed of two components:

- 1) a Base Fee that includes the first 13,500 gallons of water usage per month; and
- 2) Overuse Rates charged to each 1,000 gallons of metered water consumption over the first 13,500 gallons of water, above.

WWD 37 proposes to increase the base fee and change the water usage rates, with all of these increases and changes going into effect for all parcels in WWD 37 commencing on January 1, 2025.

The proposed WWD 37 increases in water service fees is composed of the following: the charge for the base fee; and charge the water usage (Tier 1, or Tier 2, as applicable), as discussed further.

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Under WWD 37’s proposed water service fee rates, no charge for water usage is included in the base fee, and all water consumption will be billed the water usage rates. The proposed water usage rates reflect the actual costs to deliver water at an average level of use (Tier 1: up to 6,500 gallons per month) and at peak use (Tier 2: over 6,500 gallons per month). In light of historical water usage patterns, average monthly use per single-family residential customer is 6,500 gallons. Taking into account these proposed increased water service fees, as applicable, each parcel’s total water bill will not exceed the proportional cost of service for each parcel. The proposed increased water service fee rates are shown in the following table (See Table 1, below).

The proposed increased water service fee rates are the maximum rates WWD 37 can adopt during the five-year rate plan.

WWD 37 may adopt rates at a lesser amount of the rates included in this notice, but not higher. However, such lesser rates, if adopted, will not fully recover WWD 37’s cost of providing water service.

If there is no “majority protest” concerning the proposed increases in water service fees, and if adopted by the Board, the new, increased water service fee rates would go into effect for all parcels commencing January 1, 2025, and remain the same through June 30, 2029, and further until later adjusted under proceedings in compliance with then-current constitutional provisions and laws. In 2029, the financial condition of WWD 37 will be reevaluated.

**Table 1: Current and Proposed Monthly Water Service Rates Per Parcel**  
**Fresno County Waterworks District 37**

<b>Fee Description</b>	<b>Current</b>	<b>Fee Description</b>	<b>Proposed Effective January 1, 2025</b>
Base Fee	\$85.19	Base Fee	\$117.90
<u>Overuse Rates</u>	<u>Charge per 1,000 gal</u>	<u>Usage Rates</u>	<u>Charge per 1,000 gal</u>
0 - 13,500 gal	\$0.00	Tier 1: 0 - 6,500 gal	\$3.46
13,501 -18,500 gal	\$2.00	Tier 2: 6,501 gal and over	\$5.76
18,501 - 23,500 gal	\$2.50		
23,501 gal and over	\$3.00		

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## **For More Information**

A detailed water rate study on how these proposed service fee rates increases and changes were determined, prepared by professional consultants, Lechowicz and Tseng, Municipal Consultants, Alameda, California, can be found at: <https://www.fresnocountyca.gov/wwd37>

WWD 37 staff's report to the Board concerning this matter, including any supporting documents, will be made available online approximately the Wednesday before the Board meeting for the public protest hearing. You may access that information at: <https://www.fresnocountyca.gov/Departments/Board-of-Supervisors/Meeting-Information>

If you do not have internet access, you may obtain a hardcopy of the water rate study, the foregoing WWD 37 staff report to the Board, and supporting information as of the date of your request, by contacting the WWD 37 staff person identified below.

## **Questions?**

If you have any questions concerning this notice, please contact Cybil Luna, Staff Analyst over WWD 37, at (559) 600-4259, or by email at [SpecialDistrictsAdm@fresnocountyca.gov](mailto:SpecialDistrictsAdm@fresnocountyca.gov) via email.

Sincerely,

***Department of Public Works and Planning  
Resources | Special Districts***