



ATTACHMENT B

County of Fresno

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

April 22, 2025

APN:<<APN>>

Property Owner or Current Resident

<<ADDRESS>>

<<ADDRESS>>

NOTICE

Subject: **Notice of Proposed Increases and Changes in Water and Sewer Service Rates and Fees for Fresno County Waterworks District 40 - Shaver Springs (Proposition 218 Process)**

Dear Property Owner or Customer receiving water and/or sewer service from Fresno County Waterworks District 40:

The Fresno County Waterworks District 40 – Shaver Springs (WWD 40) currently provides community water and sewer services to 69 residential customers in the Shaver Springs subdivision and provides water service to one out-of-district residential customer. County staff operates WWD 40's water and sewer systems, but WWD 40 is not part of the General Fund and County funds cannot be used to operate or maintain the water or sewer systems. The WWD 40 water and sewer systems rely on rates paid by property owners or customers receiving service to fund the costs of running the systems.

Why you are receiving this notice.

You are receiving this notice because you either own property in WWD 40 or are a customer receiving WWD 40 water and sewer service.

Water and sewer service rate adjustments are needed to keep up with WWD 40 cost increases, keep the WWD 40 community water and sewer systems in good working condition, and for WWD 40 to repay the County for costs that have been incurred but have not yet been charged to property owners or customers of WWD 40, and for a projected budget shortfall in FY 2024/25.

As discussed below, the Fresno County Board of Supervisors, as the governing board of WWD 40 (the Board), will hold a public protest hearing on **June 24, 2025**, to consider the proposed water and sewer service rate increases and changes 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 and sewer service rate increases and changes outlined in this notice; and
- 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 changes to and increases of the water and sewer service rates in this notice; and
- Explains how property owners and their tenants **currently** (as of the Board's public protest hearing) **receiving WWD 40's water and sewer service** can **submit a letter protesting** the proposed increases to service rates in this notice, and the **deadline** for submitting that protest letter; and
- Explains the proposed increases and changes to water and sewer service rates for property owners or customers currently receiving water or sewer service from WWD 40.

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 Tuesday, May 13, 2025, at 5:30 P.M., County staff, as staff for WWD 40, will conduct a public meeting at Pine Ridge Elementary School 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 40 staff and to ask questions about the proposed increases in water and sewer service rates in this notice.
- The Fresno County Board of Supervisors (Board) will not be present, and WWD 40 will not take any official action to increase or change water service rates at this public meeting.

Notice of Public Protest Hearing

On June 24, 2025, 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 submitted by property owners or their tenants who, as of the public protest hearing

date, receive water and sewer service from WWD 40 and oppose the proposed rate increases as outlined in this notice.

- Depending on the outcome of the public protest hearing, the Board may take action, as discussed below.

How to Protest the Proposed Water and Sewer Service Rate Increases

Each property owner or their tenants currently (as of the Board's public protest hearing) receiving water and sewer service from WWD 40 has the following rights.

If you **disagree** with the proposed increases in water and sewer service rates as outlined in this notice, you may **submit a valid written protest** to the Clerk of the Board of Supervisors by the deadline, as explained below.

The Board will not impose the increases in water service rates in this notice if the Board determines that a majority of the property owners or their tenants currently receiving water and sewer service from WWD 40 submitted **timely, valid written protests** against the proposed increases (this is 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 40's water and sewer service**.
- Any such owner, co-owner, or tenant, of such a parcel may submit a **timely, valid, written protest**.
- Such persons only need to submit **one (1)** timely, valid written protest on behalf of their parcel concerning the proposed increases in water and sewer service rates in this notice.
- Only **one (1)** timely, valid written protest per parcel will be counted in calculating a majority protest.
- If any property owner, co-owner, or tenant for a parcel currently receiving WWD 40's water and sewer service submits a timely, valid written protest, then 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 and sewer service from WWD 40, 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 to the water and sewer service rates in this notice; and
- **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 40 Protest Hearing (June 24, 2025)
2281 Tulare Street, Room 301
Fresno, CA 93721
HOLD UNTIL PROTEST HEARING*

- To be considered as timely submitted and counted, a written protest must be received by the Clerk of the Board of Supervisors before the close of the public protest hearing, which is currently scheduled for **June 24, 2025**.
- Written protests that are submitted late will be disregarded. The postmark date for any mailed protests will not be considered.
- Protests will **not** be received by any means other than as stated above. For example, email, fax, or telephone are **not** acceptable forms of submitting your protest.
- Electronic signatures are not acceptable.
- Only written protests from property owners or their tenants currently receiving WWD 40's water and sewer services that are timely submitted, as described 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 water and sewer service rate increases is timely, valid, and comes from a property owner or their tenant currently receiving WWD 40's water and sewer 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 and sewer service rates in this notice for all property owners and customers of WWD 40.

Explanation of the Proposed Increases in Water and Sewer Service Fees

Why are increases and changes in water and sewer service rates needed?

The current rate structure was adopted by the Board on January 9, 2007, pursuant to Proposition 218 requirements. The increased monthly service fees became effective on March 1, 2007. In recent years, WWD 40 has operated at a deficit, meaning that expenses are greater than revenues needed to sustain the operation of the community water and sewer systems. For example, in FY 2024/25, WWD 40 expects to incur about \$145,800 in expenses to operate and maintain the community water system and another \$93,400 in expenses to operate and maintain the community sewer system for a combined total of \$239,200; with current combined revenues of only \$128,500, operating expenses are greater than revenues resulting in a projected deficit of about \$110,700 just for FY 2024/25. That deficit does **not** take into account other charges, discussed immediately below.

Due to deficit spending, WWD 40 has depleted its available cash reserves. Increases and changes in the WWD 40 water and sewer service rates are needed to fully fund WWD 40 operating costs, build a cash reserve of at least \$113,700 by the end of Fiscal Year 2029/30 (as required by the Board's policy for special districts), improve the financial condition of WWD 40, and repay the County by FY 2028/29 for past costs incurred as of July 1, 2024 (\$141,243) but not yet charged to WWD 40, and for a projected budget shortfall of approximately \$110,700 for FY 2024/25 (such shortfall to occur regardless of whether these service rates are increased under this Proposition 218 proceeding) (i.e., a total of \$251,943), plus the County's estimated annual internal interest rate on such unpaid costs and budget shortfall.

Proposed Increases and Changes to Monthly Water Service Rates and Fees

Water Service Rates and Fees

WWD 40's current water service rate structure is composed of a base fee that includes the first 8,000 gallons of water usage per month and Overuse Rates charged to each 1,000 gallons of metered water consumption over the first 8,000 gallons of water.

WWD 40 proposes to increase the water base fee and change the water usage rates, with all of these increases and changes going into effect for all parcels in WWD 40 commencing July 1, 2025.

Under WWD 40's proposed water service rates and fees, the base fee does not include any charge for water usage, and all water consumption will be billed the water usage rate. The proposed water usage rate reflects the actual cost to deliver water at an average level of use. Based on historical water usage patterns, the average monthly consumption per single-family residential customer is 4,000 gallons. Taking into account the proposed water service rate and fee increases, each parcel's total water bill will not exceed its proportional cost of service. The proposed increased water service rates and fees are shown in the following table (see Table 1, below).

Table 1: Current and Proposed Monthly Water Service Rates and Fees Per Parcel

Fresno County Waterworks District 40

Fee Description	Current	Fee Description	Proposed July 1, 2025
Base Fee	\$49.53	Non-water delivery O&M Repayment <u>Reserves</u> Base Fee	\$62.58 \$19.44 <u>\$3.52</u> \$85.54
<u>Overuse Rates</u>	<u>Charge per 1,000 gal</u>	<u>Usage Rates</u>	<u>Charge per 1,000 gal</u>
0 - 8,000 gal	\$0.00	All Usage	\$23.67
8,001 - 16,000 gal	\$2.60		
Above 16,000 gal	\$3.64		

Sewer Service Fees

WWD 40's current sewer service fee consists of a flat base fee charged per month. The proposed increased monthly fee is a fixed fee per dwelling unit per month. The proposed increased sewer fee is necessary to recover only the actual proportional cost of sewer service attributable to each parcel. The proposed increase to sewer service fees is composed of the following: the cost of O&M, repayment of unpaid charges, and reserves, with increases going into effect for all parcels receiving sewer service in WWD 40 commencing on July 1, 2025. The proposed increased sewer service fees are shown in the following table (See Table 1, below).

Table 2: Current and Proposed Monthly Sewer Service Fees Per Parcel

Current	Proposed July 1, 2025
	O&M \$79.47 Repayment \$26.63 <u>Reserves</u> <u>\$4.89</u>
Total Monthly Fee \$25.53	Total Monthly Fee \$110.99

The proposed increased water and sewer service rates and fees are the maximum rates and fees WWD 40 can adopt during the five-year rate plan. WWD 40 may adopt water and sewer service rates and fees lower than those stated in this notice but cannot adopt higher rates and fees. However, if such lower rates and fees are adopted, they will not fully cover the cost of providing water and sewer services.

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If there is no “majority protest” against the proposed increased water and sewer service rates and fees, and the Board adopts the new rates and fees, they will take effect July 1, 2025, and remain in place until adjusted through a future process in compliance with applicable constitutional provisions and laws. WWD 40’s financial condition will be reevaluated in 2029.

For More Information

A detailed rate study on how these proposed service rate increases and changes were determined, prepared by Lechowicz and Tseng, Municipal Consultants, Alameda, California, can be found at: <https://www.fresnocountyca.gov/wwd40>.

WWD 40’s staff report to the Board on this matter, along with 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 rate study, the foregoing WWD 40 staff report to the Board, and supporting information as of the date of your request, by contacting the WWD 40 staff person identified below.

Questions?

If you have any questions concerning this notice, please contact Cybil Luna, Staff Analyst over WWD 40, at (559) 600-4259, or by email at SpecialDistrictsAdm@fresnocountyca.gov via email.

Sincerely,

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