

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF FRESNO
STATE OF CALIFORNIA

IN THE MATTER OF ADOPTING INCREASED)
WATER AND SEWER SERVICE FEES FOR)
FRESNO COUNTY SERVICE) RESOLUTION
AREA NO. 44 ZONE "D" (MONTE VERDI))

WHEREAS, the Board of Supervisors of the County of Fresno (the "Board") is the governing board of the Fresno County Service Area No. 44 Zone "D" ("CSA 44D"); and

WHEREAS, in accordance with California Constitution Article XIII D, Section 6, which is part of Proposition 218 (Right to Vote on Taxes Act of 1996), and Government Code section 53755 of The Proposition 218 Omnibus Implementation Act, the Department of Public Works and Planning (the "Department"), through the Director of Public Works and his or her designees (collectively, the "Director"), initiated the process to seek increased water and sewer service fees for CSA 44D, which consists of a total of 125 residential homes and the Monte Verdi Homeowners' Association ("HOA"); and

WHEREAS, the CSA 44D community water and sewer system, which is funded substantially by water and sewer service fees paid by CSA 44D water and sewer users, includes individual water meters at each connection, a pipeline distribution system, a water storage tank, a wastewater treatment plant, and a leach field for effluent disposal; and

WHEREAS, CSA 44D's customer base is made up of single family residences, each with the same fixed cost of water and sewer service, and the HOA, with the same fixed cost of water service; and

WHEREAS, the increased residential water service fees set forth in this resolution are at rates that will be necessary to recover only the actual cost of the water service per parcel under these increased water service fee rates.

▪ *Fixed charges:*

- *Meters and Services:* These include costs related to maintaining infrastructure and operating capacity to provide service at any time, repayment to the County of charges that have been unpaid and are expected to continue to accrue, as described below, and reserves, as described below, but do not include costs for

water delivery.

- *Customer Service:* This category contains costs associated with serving customers, such as billing and answering customer inquiries.

- *Usage Rate:*

- *Base:* Base costs include the expenses related to providing treated well water under average, “base” demand conditions.
- *Extra:* The extra category includes costs related to providing treated well water above the system average demand (i.e., related to peak, “extra” usage).

WHEREAS, the increased HOA water service fees set forth in this resolution are restructured from current fixed monthly water fees with one component, into increased monthly water service fees with two components, all of which are at rates that will be necessary to recover only the actual cost of the water service per parcel under these increased water service fee rates.

- *Fixed charges:*

- *Meters and Services:* These include costs related to maintaining infrastructure and operating capacity to provide service at any time, repayment to the County of charges that have been unpaid and are expected to continue to accrue, as described below, and reserves, as described below, but do not include costs for water delivery.
- *Customer Service:* This category contains costs associated with serving customers, such as billing and answering customer inquiries.
- *Recycled Water:* Recycled water is provided to the HOA for irrigation at no charge.

- *Usage Rate:*

- *Base:* Base costs include the expenses related to providing untreated well water under average, “base” demand conditions.
- *Extra:* The extra category includes costs related to providing untreated well water above the system average demand (i.e., related to peak, “extra” usage).

WHEREAS, the increased sewer service fees set forth in this resolution are at rates that will be necessary to recover only the actual cost of the sewer service per parcel under these increased sewer service fee rates.

1 ▪ *Fixed charges:*

- 2 ○ *Sewer Services:* These include costs related to maintaining infrastructure and
3 operating capacity to provide service at any time, capital expenditures,
4 repayment to the County of charges that have been unpaid and are expected
5 to continue to accrue, as described below, and reserves, as described below.
6 ○ *Customer Service:* This category contains costs associated with serving
7 customers, such as billing and answering customer inquiries.

8 **WHEREAS**, the adjusted residential water and sewer rates, above, are designed to
9 better align with current water and sewer consumption patterns and actual costs to serve water
10 and sewer customers so that the increased water and sewer service fee rates do not exceed
11 the proportional cost of the service attributable to the parcel in CSA 44D; and

12 **WHEREAS**, the adjusted HOA water rates, above, are designed to better align with the
13 cost of delivering untreated well water and recycled water, which is offset by the savings
14 achieved by recycling wastewater, so that the HOA water service fees do not exceed the
15 proportional cost of the service attributable to the HOA in CSA 44D; and

16 **WHEREAS**, the “fixed charges” component of such increased water and sewer service
17 fees also includes repayments to the County for (1) CSA 44D’s negative cash balance of water
18 services fees that have been unpaid by CSA 44D customers, which have been held by the
19 County, in the current total amount of \$70,200; (2) CSA 44D’s negative cash balance of sewer
20 services fees that have been unpaid by CSA 44D customers, which have been held by the
21 County, in the current total amount of \$153,600; and (3) interest on all such unpaid costs
22 amounts, calculated at the County’s estimated annual internal interest rate; for financial
23 planning purposes, the County’s annual internal interest rate is estimated as 2.8% annually;
24 and

25 **WHEREAS**, under the Board policy for special district governed by the Board, including
26 CSA 44D, adopted on November 7, 2006, for which a report thereon was provided to the Board
27 on November 10, 2009, each special district governed by the Board, including CSA 44D,
28 providing water and sewer service, is required to have a minimum cash reserve of a minimum
 of 50% of the average of the last three fiscal years’ annual operation costs (“Board Reserve

Policy”); and

WHEREAS, in applying the Board Reserve Policy to CSA 44D, the target minimum cash reserve is approximately \$284,500; and

WHEREAS, the “fixed charges” component of such increased water and sewer service fees also includes amounts that would allow CSA 44D to build a minimum cash reserve in the amount of \$284,500 by the end of FY 2029/30, which is intended to cover unanticipated expenses, as required by the Board Reserve Policy; and

WHEREAS, as part of the process to seek and increase water and sewer service fees for CSA 44D, a written notice of the proposed increased water and sewer service fees (“Notice”), was duly and timely sent by CSA 44D, by First Class United States mail, on **April 25, 2025**, to all the record owners of each identified parcel (property owners), as shown on the last equalized assessment roll, upon which the increased water and sewer service fees is proposed for imposition, and to each tenant listed on the CSA 44D’s bill register, in accordance with the provisions of California Constitution Article XIID, Section 6; and

WHEREAS, the Notice, which was so mailed on **April 25, 2025**, stated: (a) the amounts of the proposed increases in water and sewer service fees to be imposed upon each such parcel for which water and sewer service is being provided, and explained how those amounts would be applied to each such parcel; (b) the basis upon which the amounts of the proposed increases in water and sewer service fees were calculated with reference to the water and sewer rate study referenced herein; (c) the reasons for the proposed increases in water and sewer service fees; (d) the dates, times, and locations of the public meeting referenced therein with respect to the proposed increases in water and sewer service fees; (e) the date and time and location of the public protest hearing before the Board with respect to the proposed increases in water and sewer service fees; and (f) instructions for how property owners (including their tenants) currently (as of the Board’s public protest hearing) receiving water and sewer service from the CSA 44D community water and sewer system may submit timely, valid, written protests against the proposed increases in water and sewer service fees; and

1 **WHEREAS**, as stated in the Notice, which was so mailed on **April 25, 2025**, the
2 proposed increases in water and sewer services fees are set forth in the table therein, and the
3 Notice referred all interested persons to the completed and available Water and Sewer Rate
4 Study for the Fresno County Service Area 44D (Monte Verdi), dated February 2025, prepared
5 by Lechowicz and Tseng, Municipal Consultants, Alameda, California (the "Fee Study"), which
6 Fee Study includes, among other things, a detailed explanation of the basis upon which the
7 amounts of the proposed increases in water and sewer service fees, including their rates, were
8 calculated and that the Fee Study could be found online at the County web address stated
9 therein, or otherwise in hardcopy upon request of the County; and

10 **WHEREAS**, under the Fee Study, all revenues derived from the increased water and
11 sewer services fees under this resolution do not exceed the funds required for CSA 44D to
12 provide the water and sewer service to the parcels in CSA 44D; and

13 **WHEREAS**, all of the amounts calculated in the Fee Study produce increased water
14 and sewer service fee rates that will be necessary to recover only the actual cost of the water
15 and sewer service per parcel under these proposed water and sewer rates, and that taking into
16 account these proposed increased water and sewer service fees, as applicable, each parcel's
17 total water and sewer bill will not exceed the proportional cost of service for each parcel; and

18 **WHEREAS**, the increased residential water service fees are set forth in Table 1 of
19 **Attachment A**, to this resolution (as referenced in Section 3), which increased water services
20 fees will be imposed in CSA 44D upon each such parcel for which water service is being
21 provided, beginning July 1, 2025; and

22 **WHEREAS**, the increased HOA water service fees are set forth in Table 1 of
23 **Attachment A**, to this resolution (as referenced in Section 3), which increased HOA water
24 services fees will be imposed in CSA 44D upon the HOA for which water service is being
25 provided, beginning July 1, 2025; and

26 **WHEREAS**, the increased sewer service fees are set forth in Table 2 of **Attachment**
27 **A**, to this resolution (as referenced in Section 3), which increased sewer services fees will be
28 imposed in CSA 44D upon each such parcel for which sewer service is being provided,

beginning July 1, 2025; and

WHEREAS, on **May 15, 2025, at 6:00 PM**, the Department of Public Works and Planning, as staff to CSA 44D, conducted a public meeting at the Woodward Park Library, to provide members of the public, including property owners (including any tenant of their property), an opportunity to provide relevant testimony to CSA 44D staff and to ask questions and provide comments about the proposed increases in water and sewer service fees they would find in the Notice mailed on **April 25, 2025**; and

WHEREAS, at such public meeting, CSA 44D staff made their presentations, received testimony, questions, and comments from such members of the public, and responded to their questions and comments; and

WHEREAS, a public protest hearing was held on **June 24, 2025, at 9:30 AM** (or as soon as practicable thereafter as the Board determined), before the Board, at which time a full and fair opportunity was provided for public comment, objections, and submission to the Board of written protests against the proposed increased water and sewer service fees by owners of property (also referred to above as the record owners of each identified parcel, upon which the increased water and sewer service fees is proposed for imposition, including such record owners' tenants) currently (as of the Board's public protest hearing) receiving water and sewer service from the CSA 44D community water and sewer system; and

WHEREAS, following the closure of the public protest hearing, as directed by the Board, the Clerk of the Board of Supervisors or her designees tabulated the written protests submitted against the proposed increased water and sewer service fees, and the Board found that a majority of owners of property (also referred to above as the record owners of each identified parcel, upon which the increased water and sewer service fees is proposed for imposition) (including their tenants) currently (as of the Board's public protest hearing) receiving water and sewer service from the CSA 44D community water and sewer system did **not** submit written protests against the proposed increased water and sewer service fees for CSA 44D as set forth in the Notice; and

WHEREAS, such tabulation, and the Board's consideration of the timeliness and

1 validity of all written protests submitted, and all objections, if any, and such submitted written
2 protests were duly and regularly conducted.

3 THE BOARD OF SUPERVISORS OF THE COUNTY OF FRESNO, AS THE
4 GOVERNING BOARD OF CSA 44D, THEREFORE RESOLVES AS FOLLOWS:

5 **Section 1.** All of the foregoing recitals are true and correct.

6 **Section 2.** Any objections made to the Board, including but not limited to the regularity
7 of the proceedings that are the subject of this resolution, are hereby overruled by the Board.
8 The Board hereby finds that there is **no majority protest** against the proposed increased water
9 and sewer service fees for CSA 44D as set forth in the Notice, which was so mailed on **April**
10 **25, 2025.**

11 **Section 3.** The increased monthly water and sewer service fees for CSA 44D,
12 described more fully above as:

- 13 ○ *Fixed charges (including: Meters and Services and Customer Service)*
- 14 ○ *Usage Rates (Base and Extra)*

15 are hereby adopted, approved, and authorized by the Board, and shall be imposed and
16 increased to their full amounts, beginning **July 1, 2025**, as stated in Table 1 of Attachment A,
17 which is attached hereto and incorporated herein by this reference.

18 **Section 5.** The CSA 44D water and sewer service fees increased by this resolution
19 shall be published by or for the Director at the appropriate times in the County's Master
20 Schedule of Fees, Charges, and Recovered Costs for administrative purposes only.

21 **Section 6.** The Director is hereby authorized and directed: (a) to carry out all of the
22 increased water and sewer services fees as set forth in this resolution and the Notice, which
23 was mailed on **April 25, 2025**; and (b) to promptly give notice of all such costs changes to the
24 Auditor-Controller/Treasurer-Tax Collector for purposes of the publication requirement in
25 Section 5 of this resolution, and to each member of the Board and the County Administrative
26 Officer ("CAO"), which notices to the members of the Board and the CAO may be by way of a
27 board briefing report, memorandum, or other informal communication.

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Section 7. As required by Article XIID, section 6, subdivision (b)(2), of the California Constitution, revenues from the increased water and sewer service fees in this resolution shall not be used for any purpose other than that for which the increased water and sewer services fees are imposed, as described and referenced in this resolution.

Section 8. This resolution shall be effective immediately upon its adoption.

[Go to Signature Page]

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THE FOREGOING was passed and adopted by the following vote of the Board of
Supervisors of the County of Fresno this ____ day of _____, 2025, to-wit:

AYES:

NOES:

ABSENT:

ABSTAINED:

Ernest Buddy Mendes, Chairman of the
Board of Supervisors of the County of Fresno

Attest:

Bernice E. Seidel
Clerk of the Board of Supervisors
County of Fresno, State of California

BY _____
Deputy

FOR ACCOUNTING USE ONLY

Org: 9247
Fund: 0870
Subclass: 16430
Account: 5060, 5066

Attachment A

Fresno County Service Area No. 44 Zone "D"

Table 1: Monthly Water Rates Per Parcel

Fee Description	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
Non-water delivery O&M	\$37.96	\$39.11	\$40.29	\$41.51	\$42.76
Repayment	\$9.18	\$9.46	\$9.74	\$10.04	\$10.34
Reserves	<u>\$11.12</u>	<u>\$11.46</u>	<u>\$11.80</u>	<u>\$12.16</u>	<u>\$12.52</u>
Total Base Fee (\$/month) [1]	\$58.26	\$60.03	\$61.83	\$63.71	\$65.62
Usage Rate (Treated Water)	Charge per 1,000 gal				
All usage	\$1.65	\$1.70	\$1.75	\$1.81	\$1.86
Well Water					
Untreated Irrigation	\$1.53	\$1.58	\$1.63	\$1.68	\$1.73
Usage Rate [2]					

1 – Residential and irrigation customers; total may not sum exactly due to rounding

2 – Recycled water will be provided at no charge

Table 2: Monthly Sewer Rates Per Parcel

	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
O&M	\$237.60	\$244.67	\$252.00	\$259.60	\$267.40
Repayment of unpaid charges	\$20.28	\$20.89	\$21.51	\$22.16	\$22.82
Reserves	\$24.49	\$25.22	\$25.98	\$26.76	\$27.56
Capital	<u>\$1.11</u>	<u>\$1.14</u>	<u>\$1.17</u>	<u>\$1.21</u>	<u>\$1.24</u>
Total monthly fee	\$283.47	\$291.91	\$300.66	\$309.72	\$319.03
	71.2%	3.0%	3.0%	3.0%	3.0%

Totals may not sum exactly due to rounding.