

County of Fresno

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

April 11, 2025

APN: <<APN>>

Property Owner of Current Resident <<ADDRESS>> <<ADDRESS>>

NOTICE

Subject: Notice of Proposed Increases and Changes in Water and Sewer Service

Fees for Fresno County Service Area No. 47 (Quail Lake)

(Proposition 218 Process)

Dear Property Owner or Customer receiving water and sewer services from Fresno County Service Area No. 47:

The Fresno County Service Area No. 47 (Quail Lake) (CSA 47) currently provides water and sewer service to 711 parcels that include residential customers, a clubhouse, and a school. The CSA 47 community water and sewer systems rely on rates paid by property owners or customers receiving water and sewer services to fund the costs of running the community water system that provides the water service, and the sewer system.

Why you are receiving this notice.

You are receiving this notice because you either own property in CSA 47 or a customer (*i.e., tenant*), receiving CSA 47 water and sewer services.

Water and sewer service rate adjustments are needed to keep up with CSA 47 cost increases, keep the CSA 47 water and sewer systems in good working condition, and for CSA 47 to repay the County for amounts that have incurred but have not yet been charged to property owners or customers of CSA 47, and a projected budget shortfall in Fiscal Year 2025/26.

As discussed below, the Fresno County Board of Supervisors, as the governing board of CSA 47 (the Board), will hold a public protest hearing on June 10, 2025, to consider the proposed water and sewer rate increases and changes in water and sewer service fees in this notice.

[Go to next page]

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 rate increases and changes in water and sewer service fees 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 increases in water and sewer service fees in this notice; and
- Explains how property owners and their tenants currently (as of the Board's public
 protest hearing) receiving CSA 47's water and sewer services can submit a letter
 protesting the proposed increases in water and sewer service fees in this notice, and
 the deadline for submitting that protest letter; and
- Explains the proposed increases and changes in water and sewer service fees for water and sewer services that are provided to owners of property or customers within CSA 47 who are receiving water and sewer services.

This notice is given under Article XII 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 May 8, 2025, at 6:00 P.M., County staff, as staff for CSA 47, will conduct a public meeting at the Quail Lake Community Clubhouse located at 4788 N Quail Lake Drive, Clovis, California 93619.

- The public meeting will provide members of the public (including property owners and their tenants) with an opportunity to provide relevant testimony to CSA 47 staff and to ask questions about the proposed increases in water and sewer service fees in this notice.
- The Fresno County Board of Supervisors (Board) will not be present, and CSA 47 will
 not take any official action to increase or change water and sewer service fees at this
 public meeting.

Notice of Public Protest Hearing

On <u>June 10, 2025 at 9:30 A.M.</u> (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 and sewer service fees in this notice
 submitted by property owners (including their tenants) currently (as the Board's public
 protest hearing) receiving CSA 47's water and sewer services.
- 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 Fee Increases

Each Property Owner (including their tenants) currently (as the Board's public protest hearing) receiving water and sewer services from CSA 47 has the following rights.

If you **disagree** with the proposed increases in water and sewer service fees in this notice, you may t**imely 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 and sewer service fees in this notice if the Board determines that a majority of the property owners (including their tenants) currently (as the Board's public protest hearing) receiving water and sewer services from CSA 47 submit timely, valid written protests against the proposed increases in water and sewer 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 CSA 47's water and sewer services.
- 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 fees in this notice.
- Only one (1) timely, valid written protest per parcel currently (as of the Board's public protest hearing) receiving CSA 47's water and sewer services will be counted in calculating a majority protest.
- Any such owner or co-owner, or any such tenant of such 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 CSA 47's water and sewer services** 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 and sewer services from CSA 47,
 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 and sewer service fees 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
CSA 47 Protest Hearing (June 10, 2025)
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
 is currently scheduled to close on June 10, 2025. The date of U.S. postmark on 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 CSA 47's water and sewer services 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 and sewer 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 CSA 47's water and sewer services.

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 fees in this notice for all property owners and customers of CSA 47.

Explanation of the Proposed Increases in Water Service Fees

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

On September 13, 2016, CSA 47 adopted the current water and sewer services rate structures, with fees having become effective November 1, 2016. Fiscal Year (FY) 2020/21 was the last fee inflation increase associated with these fees, and CSA 47 revenues have fallen behind the cost to provide service to property owners or customers of CSA 47.

In recent years, CSA 47 has operated at a deficit meaning that expenses are greater than revenues needed to sustain the operation of the CSA 47 community water and sewer systems.

Due to deficit spending, CSA 47 has depleted its available cash reserves. In addition, the CSA 47 community water system needs capital improvements such as soft start mechanisms for the booster pumps to minimize the noise, and a chlorine analyzer to better help ensure chlorine levels are always at an acceptable level. The Wastewater Treatment Plant (WWTP) is also in need of capital improvements such as barrel screens which would help remove large solid debris like rags; and trickling filters which will help improve the sewer treatment process.

CSA 47 service fee increases and changes in the CSA 47 water and sewer services fees are needed to fully fund CSA 47 operating costs, make improvements to the CSA 47 community water and sewer systems, build a cash reserve of at least \$664,800 by the end of FY 2029/30 (as required by the Board's policy for special districts), improve the financial condition of CSA 47, and repay the County for past costs incurred but not yet charged to CSA 47, 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

CSA 47's current water service fee rate structure is composed of two components:

1) A base fee that includes the first 5,000 gallons of water usage per month; and

April 11, 2025 Page 6

2) Usage rates charged to each 1,000 gallons of metered water consumption over the first 5,000 gallons of water, above.

CSA 47 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 CSA 47 commencing on July 1, 2025.

The proposed CSA 47 increases in water service fees is comprised of the following: the charge for the base fee; and charge for the water usage, as discussed further.

Under CSA 47'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 cost to deliver water at an average level of use. In light of historical water usage patterns, average monthly use per single-family residential customer is 16,000 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 CSA 47 can adopt during the five-year rate plan.

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 July 1, 2025, and continue to increase as proposed in this notice through June 30, 2030.

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

| | | | PROJECTED - RATE STUDY PERIOD | | | | | | |
|-------------------------------------|--------------------------------|----------------------|-------------------------------|-----------|-----------|------------------------|-----------|--|--|
| | | | FY2025/26 | FY2026/27 | FY2027/28 | FY2028/29 | FY2029/30 | | |
| Fee | | | July 1, | July 1, | July 1, | July 1, | July 1, | | |
| Description | Current | Proposed | 2025 | 2026 | 2027 | 2028 | 2029 | | |
| Water Base | \$19.53 | Water Base | \$29.10 | \$32.28 | \$33.79 | \$35.35 | \$36.94 | | |
| Fee (monthly) | | Fee (monthly)* | | | | | | | |
| <u>Water Usage</u> Rate | Charge per 1,000 | Lleago Pato | Charge per 1,000 gal | | | | | | |
| 0 - 5,000 gallons 5,001 and over | gal \$0.00 \$2.66 | Usage Rate All Usage | \$2.16 | \$2.26 | \$2.36 | <u>5 gai</u> \$2.47 | \$2.59 | | |

^{*} It is proposed that the elementary school be charged 22 times the base fee.

April 11, 2025 Page 7

Proposed Increased Monthly Sewer Service Rates, and Changes in Such Rates

CSA 47's current sewer service fee rate is composed of a flat rate fee. CSA 47 proposes to increase the flat rate, with this increase going into effect for all parcels in CSA 47 commencing on July 1, 2025. The proposed increased sewer service fee rates are shown in the following table (see Table 2 on following page).

The proposed increased sewer service fee rates are the maximum rates CSA 47 can adopt during the five-year rate plan.

If there is no "majority protest" concerning the proposed increases in sewer service fees, and if adopted by the Board, the new, increased sewer service fee rates would go into effect for all parcels commencing July 1, 2025, and continue to increase as proposed in this notice through June 30, 2030.

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

| | | | PROJECTED - RATE STUDY PERIOD | | | | | | |
|------------------|---------|-----------------|-------------------------------|-----------|-----------|-----------|-----------|--|--|
| | | | FY2025/26 | FY2026/27 | FY2027/28 | FY2028/29 | FY2029/30 | | |
| Fee | | | July 1, | July 1, | July 1, | July 1, | July 1, | | |
| Description | Current | Proposed | 2025 | 2026 | 2027 | 2028 | 2029 | | |
| Sewer Base | | Sewer Base | | | | | | | |
| <u>Fee</u> | | <u>Fee</u> | | | | | | | |
| Residential | | Residential | | | | | | | |
| (monthly) | \$85.03 | (monthly) | \$106.27 | \$120.05 | \$125.02 | \$130.25 | \$135.79 | | |
| Commercial | | Commercial | | | | | | | |
| (monthly) | \$85.03 | (monthly) | \$106.27 | \$120.05 | \$125.02 | \$130.25 | \$135.79 | | |
| School (annual)* | \$39.11 | School (annual) | \$48.88 | \$55.22 | \$57.50 | \$59.91 | \$62.46 | | |
| , | | , | | | | | | | |

^{*}Fixed annual fee of \$39.11 multiplied by the number of students, faculty, and staff at the school, as estimated by Sanger Unified School District.

For More Information

A detailed water and sewer 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/csa-47

CSA 47's staff 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 and sewer rate study, the foregoing CSA 47 staff report to the Board, and supporting information as of the date of your request, by contacting the CSA 47 staff person identified below.

Questions?

If you have any questions concerning this notice, please contact Cheryl Ou, Senior Staff Analyst over CSA 47, at (559) 600-4259, or by email at SpecialDistrictsAdm@fresnocountyca.gov

Sincerely,

Department of Public Works and Planning Resources | Special Districts Administration

G:\d360Resources\SPECIAL DISTRICTS\CSA - County Service Area\CSA 47\FIN\Prop 218\2025 Prop 218\60-Day Notice\60-Day Notice\CSA 47 DRAFT 60-Day Notice.doc