



Yolo County Board of Supervisors
625 Court Street, Room 204
Woodland, CA 95695

**Proposition 218 Notification
NOTICE TO PROPERTY OWNERS OF PROPOSED
WATER RATE INCREASE AND PUBLIC HEARING**

**MARCH 20, 2018
9:00 a.m.**

**County Administration Building
625 Court Street, Room 206
Woodland, CA 95695**

The Yolo County Board of Supervisors (County), in compliance with Article XIID of the California State Constitution and the Proposition 218 Omnibus Implementation Act, is hereby notifying all affected property owners in the North Davis Meadows County Service Area (CSA) of the following:

- The County is considering a water rate increase for the North Davis Meadows CSA by the amount necessary to repay a low-interest construction loan to consolidate the CSA with the City of Davis Public Water System. If approved, the fees will appear at the new rate on 2018/19 property tax bills.
- A public hearing will be held on **Tuesday, March 20, 2018 at 9:00 a.m.** in the Yolo County Board of Supervisors Chambers to accept public comment and receive written protests on the proposed water rate increase.
- More information regarding this notice and the proposed water fee increase is available at: www.yolocounty.org/North-Davis-Meadows-CSA.

Why are rates increasing?

The County has begun planning the Water System Consolidation Project to extend water service from the City of Davis to the North Davis Meadows CSA. This project will provide each non-vacant parcel in the CSA with a water meter for potable water, irrigation, and fire flow needs. Connecting to the City of Davis Water System is necessary because the CSA currently receives water from two wells that contain nitrates, iron and aluminum levels in excess of the allowable maximum contaminant level (MCL), and likely hexavalent chromium once the State sets new MCLs.

A fee to repay a State Revolving Fund (SRF) water project planning loan from the State Water Resources Control Board was put in place in 2016. The County has since identified a more favorable loan that will consolidate the planning and construction costs over a longer repayment period, thereby making the project more cost effective. The fee assessed in 2016 will be discontinued and the money already collected will be applied towards the consolidated loan to reduce the amount of the loan. The higher rate now being considered is necessary to repay the consolidated loan.

Proposed Water Loan Repayment Fees

The current and proposed rates are provided on the next page. If approved, these rates will be adopted as maximum rates for the next 30 years. Residential customers will be billed a fixed annual fee proportional to the residential share of Water System Consolidation Project costs. Vacant parcels will pay their proportional share of the project costs, which excludes a home-to-street connection. The increase in the water rate will recover the cost of debt repayment for a 30-year SRF loan at 1.8% interest and a 1.1x debt service coverage requirement. The total proposed water fee is expected to decrease once CSA wells are decommissioned.

North Davis Meadows CSA

Proposed Water Loan Repayment Fees 2018/19 - 2022/23

| Customer Class | Current Fee | | Proposed Fee | | | |
|------------------------------|-------------|---------|--------------|---------|---------|---------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Residential (\$/parcel/year) | \$298 | \$4,157 | \$4,157 | \$4,157 | \$4,157 | \$4,157 |
| Vacant (\$/parcel/year) | | \$3,338 | \$3,338 | \$3,338 | \$3,338 | \$3,338 |

Loan estimated to be paid off in 2047/48

An Engineer's Report provides the basis for calculating the proposed fee increase. This report is available to the public and includes the estimated cost of project financing for which the fee is proposed to be charged, the revenue sources anticipated to provide the service, and the basis of the allocation of the project costs to each customer class.

Estimated Residential Bill Impact

The estimated total residential water fee for fiscal year 2018/19 is shown below. The total proposed water fee is expected to decrease once the consolidation project is complete and CSA wells are decommissioned.

| Water Fee Type | 2017-18 | 2018-19 |
|--|----------------|----------------|
| | Current | Proposed |
| Water, Landscape, Lighting, and Storm Drain Service ¹ | \$1,262 | \$1,300 |
| Water Quality and Administration ¹ | \$188 | \$194 |
| Utility Recovery | \$295 | \$295 |
| Asset Replacement Reserve | \$75 | \$75 |
| Residential Loan Repayment Fee | \$298 | \$4,157 |
| Total Residential Water Fee | \$2,118 | \$6,021 |

1 - Includes annual CPI increase (approximately 3%)

Majority Protest Process

The Yolo County Board of Supervisors will conduct a public hearing on **Tuesday, March 20, 2018 at 9:00 a.m.** in the Board of Supervisors Chambers, located in the County Administration Building at 625 Court Street, Room 206 in Woodland, to consider approving the proposed water fees. Any property owner may submit a written protest of the proposed increase. Only one protest per parcel will be counted. If a majority of parcels submit protests, the County cannot adopt the proposed rates. Absent a majority protest, the Board of Supervisors may consider adopting the rates shown in this notice. If you desire to submit a written protest, the protest must: 1) provide the location of the identified parcel (by Assessor's Parcel Number or street address); and 2) include the name and signature of the property owner submitting the protest. You can mail your protest to the Clerk of the Board of Supervisors at 625 Court Street, Room 204, Woodland, CA 95695 prior to the hearing or bring it to the hearing. Protests must be submitted in writing before the conclusion of the public hearing. If you do not want to protest the proposed rates, you do not need to take any action. The Clerk will tabulate written protests immediately following the close of the public hearing and will report the results directly to the Board of Supervisors.

All members of the public are entitled to make comments at the public hearing, regardless of whether they choose to submit a written protest or own property that would be subject to the increased fee. Verbal comments will not be counted as protests.

How can I participate?

All property owners in the CSA may protest the proposed fee increase. California law prohibits the CSA from implementing the proposed fee increase if the number of parcels submitting written protests of the proposed fee increase equal or exceed 50% plus one of the total number of parcels within the County Service Area. Article XIII.D of the California Constitution provides that if, as a result of the fee proceeding, a majority protest is found to exist, the Board of Supervisors shall not have the authority to impose the fee. If there is no majority protest, the Board of Supervisors may approve the proposed fee.

All written protests must be received by the Clerk of the Board of Supervisors, 625 Court Street, Room 204, Woodland, CA 95695, before the close of the public hearing, which is scheduled for **Tuesday, March 20, 2018 at 9:00 a.m.** in the Board of Supervisors Chambers located in the County Administration Building at 625 Court Street, Room 206 in Woodland. Protests will be tabulated following the close of the public hearing.

Each written protest submitted must identify the affected property (by assessor's parcel number or street address) and include the signature of a record property owner. The protest form provided below may be used to submit a written protest but is not required. Email protests will not be accepted.

Although oral comments at the public hearing will not qualify as votes unless accompanied by a written protest, the Board of Supervisors welcomes input from the community during the public hearing.

You may use this form to protest the proposed water fee increase in the North Davis Meadows County Service Area. If you do not want to protest the proposed water fee, you do not need to take any action.

Water Fee Increase Protest Form

I, _____, oppose the proposed water fee increase.
(print parcel owner name)

Property address or Assessor's Parcel Number: _____

Parcel Owner Signature: _____

If you wish to use this form to protest the proposed fee, please complete and mail the form in a stamped envelope to:

Clerk of the Board of Supervisors

625 Court Street
Room 204
Woodland, CA 95695