

NOTICE OF PUBLIC HEARING ON PROPOSED MUNICIPAL WATER, SEWER, AND STORM DRAIN RATES

Hearing Date & Time: August 8, 2022 at 11 AM

Hearing Location:

The Lodge at Riverstone

370 Lodge Road South Madera, California 93636

Why Am I Receiving This Notice?

The Root Creek Water District (RCWD or District) is proposing increases in water, sewer, and storm drain rates, effective September 1, 2022. You are receiving this notice because you are either a District utility customer or you own property receiving District utility services. The RCWD Board of Directors will hold a public majority protest hearing on **August 8, 2022, at 11am** to consider water, sewer, and storm drain rate changes for the next five years. If the proposed maximum rates are adopted, the District may collect rates at or below the proposed maximum.

This notice is intended to provide you with information on the water, sewer, and storm drain utility services provided by RCWD, the reasons for the changes in the bimonthly service rates, and the methods by which you can protest this rate increase if you so desire.

Why are rate increases needed?

RCWD provides municipal water, sewer, and storm drain utility services to the Riverstone development area. The District last completed a Rate Study and Financial Plan in 2016, which was approved by landowners in the District. In 2022, the District engaged an independent consultant to complete a rate study update to recommend increased rates to promote the financial health and stability of the District's enterprise funds as the Riverstone development continues to grow. A copy of this Rate Study can be found on the District's website at rootcreekwd.com or at the District's office at 1616 W. Shaw #B-6, Fresno, CA 93711. The proposed rates cover the five-year period beginning in September 2022 through 2026.

What do the new rates look like?

Table 1 identifies current and proposed rates for municipal water, sewer, and storm drain service and Table 2 provides proposed municipal volume rates under drought conditions. The initial rate increases for all services are proposed to become effective on September 1, 2022, with subsequent annual rate adjustments to become effective on January 1st of each of the following four years (2023 to 2026). The District bills for service bimonthly such that each bill reflects two months of water usage. The proposed rate schedule also includes higher drought rates that would only take effect if the Board of Directors declares a water shortage emergency.

Proposed Municipal Water Rates

Municipal water rates include two components: (a) a fixed bimonthly charge based on the size of the water meter, and (b) volume rates charged based on metered water use. The volume rates apply to each hundred cubic foot (CCF) of water used. One CCF is equal to 748 gallons of water. The current volume rates have an inclining tiered rate structure for all customers such that usage over 20 CCF is billed a higher rate. Going forward, it is proposed that commercial and irrigation customers be moved to a single volume rate structure. Residential customers will still be charged according to the existing tiered rate structure. Volume rates are calculated to equal the actual cost of providing water including both the cost to secure the source of supply and the electricity cost to deliver the water to customers. The fixed meter charges recover the cost of administration, customer service, engineering, and the water system operator.

The proposed rates also include drought rates. In the event that the Board of Directors declares a drought and/or drought conditions, all customers are proposed to be billed a uniform volume rate equivalent to the highest cost source of the District's water.

Proposed Municipal Sewer Rates

Municipal sewer rates are billed as a fixed charge on an equivalent dwelling unit (EDU) basis. The District Engineer has established one EDU as a single family residential customer generating 186 gallons per day of sewer flow. Nonresidential customers are charged based on their sewer flow and wastewater pollutant loading in proportion to one EDU. For residential customers, the bimonthly sewer bill is proposed to increase from \$50 to \$62.50 on September 1, 2022. Sewer rate increases are needed to fund the costs of wastewater treatment, disposal, chemicals, and other operating expenses.

Proposed Municipal Storm Drain Rates

Similar to the sewer rates, municipal storm drain rates are billed as a fixed charge on an EDU basis. One EDU represents the amount of impervious area that generates stormwater runoff on a typical 1/5 acre single family parcel. On September 1, 2022, the bimonthly residential storm drain bill is proposed to increase from \$7.16 to \$8.95. Storm drain rate increases are needed to fund costs for mowing and maintenance of catchment basins, engineering, and repairs, among other costs.

Tables 1 and 2 show the current and proposed rates. It should be noted that the District will no longer bill municipal parcels the current assessment of \$35.81 per acre per year. Instead, the equivalent costs are incorporated into the proposed rates.

**Table 1
Proposed Municipal Bimonthly Rate Changes**

Category	Current	PROPOSED				
	January 1, 2022	September 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025	January 1, 2026
Municipal Water Service						
<i>Residential Volume Rates (\$/CCF)</i>						
Tier 1: 0 to 20 CCF	\$1.55	\$1.98	\$2.48	\$3.10	\$3.35	\$3.62
Tier 2: over 20 CCF	\$2.18	\$2.91	\$3.64	\$4.55	\$4.91	\$5.30
<i>Non-residential Volume Rate (\$/CCF)</i>						
Commercial		\$2.32	\$2.90	\$3.63	\$3.92	\$4.23
Irrigation		\$2.37	\$2.96	\$3.70	\$4.00	\$4.32
<i>Meter Fees</i>						
1"	\$37.90	\$47.38	\$59.23	\$74.04	\$79.96	\$86.36
1.5"	\$37.90	\$47.38	\$59.23	\$74.04	\$79.96	\$86.36
2"	\$59.44	\$75.81	\$94.77	\$118.46	\$127.94	\$138.18
3"	\$116.74	\$151.62	\$189.54	\$236.93	\$255.87	\$276.35
4"	\$181.22	\$236.90	\$296.15	\$370.20	\$399.80	\$431.80
6"	\$360.34	\$473.80	\$592.30	\$740.40	\$799.60	\$863.60
Municipal Sewer Service						
Per Dwelling Unit	\$50.00	\$62.50	\$78.13	\$97.66	\$117.19	\$140.63
Municipal Storm Drain Service						
Per Dwelling Unit	\$7.16	\$8.95	\$11.19	\$13.99	\$17.49	\$20.11
Assessment (\$/acre/year)	\$35.81	No longer billed – incorporated into water rates shown above				

**Table 2
Proposed Volume Rates – Drought Conditions**

Category	September 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025	January 1, 2026
Municipal Water Volume Rates (\$/CCF) – Drought Conditions					
Residential	\$2.91	\$3.64	\$4.55	\$4.91	\$5.30
Commercial	\$2.91	\$3.64	\$4.55	\$4.91	\$5.30
Irrigation	\$2.91	\$3.64	\$4.55	\$4.91	\$5.30

How do I file a protest or participate in the public hearing?

The provisions of Proposition 218 provide that certain types of “Property Related Fees” such as water, sewer, and storm drain rates are subject to a “majority protest” process. Under the majority protest process, any property owner or customer of record may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel. If protests are filed on behalf of a majority of the parcels subject to the rates, the District cannot adopt the proposed rates.

Every written protest MUST include ALL of the following to be counted:

- 1. A statement against the proposed charge that is the subject of the hearing;**
- 2. Name of the recorded owner or customer of record who is submitting the protest;**
- 3. Identification of assessor’s parcel number(s), street address, or utility account number of the parcel with respect to which the protest is made; and**
- 4. Original signature and legibly printed name of the record owner or customer of record who is submitting the protest.**

Written protests may be submitted by:

1. Mail to the Root Creek WD District Secretary, P.O. Box 27950, Fresno, CA 93729;
2. In-person delivery to 455 W. Fir, Clovis, CA 93611 during published business hours; or
3. In-person at the public hearing prior to the conclusion of the public hearing.

Regardless of how the written protest is submitted, it must be received by the District prior to the conclusion of the public comment portion of the Public Hearing on August 8, 2022. (Postmark dates will not be accepted.) Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the District Secretary, that the enclosed protest is for the Public Hearing on the Proposed Rate Changes - Municipal Service Fees.

The District will hold the Public Hearing on August 8, 2022, at 11am. The Board will review the amount of the rates as well as the methodology for calculating the proposed rates and the assignment of equivalent dwelling unit counts to nonresidential customers. At the conclusion of the hearing, protests will be counted and validated. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the Public Hearing, the District cannot adopt the proposed rates. If a majority of the parcels do not protest the proposed increase, the District has the authority to adopt the proposed rates. The first year rate change, if enacted, will go into effect on or after September 1, 2022.

Additionally, pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee, adopted, modified, or amended after January 1, 2022.