

RESOLUTION NO. 2021-22

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
WESTERN HILLS WATER DISTRICT**

WHEREAS, the Board of Directors authorized a comprehensive review of the District’s water rates, which review was performed by HF&H Consultants and a final Water and Wastewater Rate Study dated November 10, 2021 (“Final Rate Study”), and submitted to the Board of Directors for their review; and

WHEREAS, the Final Rate Study was discussed and presented to the Board of Directors and it is recommended that the Board of Directors approve and accept the Final Rate Study as being complete; and

WHEREAS, based upon the Final Rate Study the Board of Directors proposes that the rate increases set forth below be considered for adoption subject to compliance with the requirements of Proposition 218 and Health & Safety Code Section 5471;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

1. The Board hereby approves and accepts the Final Rate Study as complete.
2. The Board proposes to consider adoption of the following rates:

Table 1. Three-Year Water Rate Schedule –Service Charge

Customer Class	Current Monthly Charge	Proposed		
		FY 2021-22	FY 2022-23	FY 2023-24
	<i>effective date</i>	<i>1/26/2022</i>	<i>1/26/2023</i>	<i>1/26/2024</i>
Residential	\$100.69	\$134.99	\$144.99	\$154.99

Table 2. Three-Year Water Rate Schedule –Usage Charge

Customer Class	Current Usage Charge	Customer Class	Proposed Tier Size	Proposed		
				FY 2021-22	FY 2022-23	FY 2023-24
			<i>effective date</i>	<i>1/26/2022</i>	<i>1/26/2023</i>	<i>1/26/2024</i>
Residential		Residential				
All Usage	\$1.49	Tier 1	0-6	\$1.88	\$1.88	\$1.88
		Tier 2	>6-13	\$2.57	\$2.57	\$2.57
		Tier 3	>13-20	\$3.21	\$3.21	\$3.21
		Tier 4	20+	\$5.42	\$5.42	\$5.42
Non-Residential	\$5.87	Non-Residential		\$4.25	\$4.25	\$4.25
Raw Water	\$4.01	Raw Water		\$4.25	\$4.25	\$4.25

Note: Monthly water rates are based on a unit of 750 gallons of water used.

If adopted, the new rates would go into effect on January 26, 2022. For each subsequent fiscal year, the new rates would go into effect on January 26 of each year.

3. A public hearing shall be held on Wednesday, January 12, 2022, at 6:30 PM via Zoom and at the Diablo Grande Fire Station, 20899 Grapevine Dr., Patterson, CA, Patterson, California.

4. The Proposition 218 notices of the proposed rate increase, in substantially the forms presented to the Board of Directors at this Board meeting, are approved. The Secretary of the Board of Directors after consultation with the District's General Counsel may make changes, insertions and deletions as appropriate or necessary.

5. The District staff is authorized and directed to mail the final forms of the Proposition 218 notices to parcel owners whose parcels are connected to the District's water system.

6. Any member of the Board of Directors, General Manager, and the District Engineer and any other officers, employees and agents of the District shall be, and each of them hereby is, authorized to give or take all actions permitted or required by this Resolution or by applicable law, with the advice of District's General Counsel, as each may deem necessary or desirable to further the purposes of this Resolution.

Moved by Director M. Manning, second by Director C. Blessing, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes: M. Manning, C. Blessing, L. Kuipers, Z. Manning

Noes: J. Davis

Abstain: None

Absent: None

I, Christa Manning, Secretary of the Board of Directors of the Western Hills Water District, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a duly noticed regular meeting of the said Board of Directors held the 10th day of November, 2021.



Christa Manning, District Secretary

WESTERN HILLS WATER DISTRICT

NOTICE OF PUBLIC HEARING TO CONSIDER AN INCREASE IN WATER RATES AND TO CONSIDER ANY PROTESTS

The Western Hills Water District (District) Board of Directors hereby gives notice of a Public Hearing to be held at its meeting on **Wednesday, January 12, 2022 at 6:30 p.m.** **The Public Hearing will have a physical location at the Diablo Grande Fire Station (20899 Grapevine Dr., Patterson, CA) and via Zoom** to consider proposed increases in water rates. The following link can be used to attend the Public Hearing: <https://us06web.zoom.us/j/83729812033?pwd=VUoyK21mSWITY3UwdTd3QmRIK3NOQT09>. To join via telephone, call: 253-215-8782 and enter Meeting ID: 837 2981 2033 and Passcode: 367641

REASON FOR NOTICE

This notice is being furnished to you by the (District) pursuant to the California Constitution Article XIID (also known as Proposition 218). Under terms of Proposition 218, the District is required to notify property owners of proposed changes to property-related fees, such as water services. This letter provides notice that the District will hold a Public Hearing on January 12, 2022, to consider changes to its current water rates which would become effective over the next three years on January 26, 2022, January 26, 2023, and January 26, 2024, respectively. It is the responsibility of the parcel owner to provide this notice to any of their affected tenants.

At this Public Hearing, the Board of Directors will consider public comments as well as written protests by ratepayers against the proposed increases in water rates. If a majority (50% plus 1) of the affected parcels submit a valid, written protest prior to the Public Hearing, the Board of Directors will not increase the rates as a matter of state law.

REASONS FOR WATER RATE INCREASES

Current rate revenues do not cover the District's costs of providing water service, resulting in a shortfall of over \$2.6 million per year. The District's water system was designed to support 800 residential accounts, but less than 600 residential accounts are currently receiving service. In addition, revenues from the Diablo Grande Golf Course and vineyard have disappeared, as no water is being used by either entity. Decreasing revenues combined with high purchased water costs make it necessary for the District to raise existing water rates to reduce the annual shortfall. The proposed increases reduce, but do not eliminate, the annual revenue shortfall.

PROPOSED WATER RATES

Your water bill is the sum of two charges: (1) a fixed service charge corresponding to the size of your meter and (2) a usage charge that is the product of your monthly water use times the water rate per 750 gallons. Effective for all residential meter readings and billings on or after January 26, 2022, the service charge will increase from \$100.69 to \$134.99 per month. Additionally, the fixed service charge will increase \$10.00 per month on January 26, 2023, and January 26, 2024. In addition, the water rate per 750 gallons of water used will increase for single-family residential customers, as customers will be billed using a four-tiered system of usage rates in place of the current uniform rate of \$1.49 per 750 gallons of water used. The water rate for non-residential and raw water customers will adjust to \$4.25 per 750 gallons used. Non-residential water includes the District office, fire station, commercial businesses, multi-family dwellings, Homeowner's Association (HOA) connections, and Commercial Owner's Association (COA) connections. The proposed service charge and usage charge rates are shown below in Table 1 and Table 2, respectively.

The District is proposing to implement water service charges at the rates shown on the following page. The proposed rates are designed to fairly and equitably recover the costs of providing service from all customer classes. **The District will only implement future rate increases as financially necessary to recover the costs of providing water services.**

Table 1. Three-Year Water Rate Schedule –Service Charge

Customer Class	Current Monthly Charge	Proposed		
		FY 2021-22	FY 2022-23	FY 2023-24
	<i>effective date</i>	<i>1/26/2022</i>	<i>1/26/2023</i>	<i>1/26/2024</i>
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Note: Monthly water rates are based on a unit of 750 gallons of water used.

The proposed increases were calculated by taking the total cost of water purchased from Kern County Water Authority, operation and maintenance expenditures, debt service, and cost of capital improvements to be constructed over the next three years and dividing that amount by the total annual projections of water consumption. Details of the basis of the calculation are documented in a rate study report, which is available for review during normal business hours in the office of the District: 9679 Copper Mountain Rd., Patterson, CA 95363.

FILING A PROTEST

At the Public Hearing on January 12, 2022, the Board of Directors will consider adoption of the proposed water rates and will receive public comments, as well as written protests by ratepayers/parcel owners opposing the proposed rate increases. If a majority of valid protests (50% plus 1) from all affected parcels is received at the time of the Public Hearing, the Board of Directors will not increase the rates as a matter of law.

If you wish to file a written protest, please mail a protest in a sealed envelope addressed to “Water Rates, Western Hills Water District, 9501 Morton Davis Drive, Patterson, CA 95363”, or hand deliver to the physical dropbox at that location. Any record owner of a parcel upon which the water charges are proposed to be imposed and any tenant directly liable for the payment of water charges (i.e., a customer of record who is not a property owner) may submit a written protest; however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or tenant is opposed to the proposed water rate adjustments and increases; (2) provide the location of the identified parcel (by Assessor’s Parcel Number); and (3) include the name and original signature of the property owner or tenant submitting the protest. Western Hills Water District must receive your protest at or before the time set for the Public Hearing. If the party signing the protest is not shown on the last equalized assessment roll of Stanislaus County as the owner of the parcel(s), then the protest must include written evidence that such party is the record owner of the parcel.

ADDITIONAL INFORMATION

If you would like additional information on the proposed water rates, please contact the Western Hills Water District Office at (209) 895-9493 or visit our website at <https://www.whwdist.org>.