FRAZIER PARK PUBLIC UTILITY DISTRICT

P.O. BOX 1525, FRAZIER PARK, CA 93225

TELEPHONE: 661-245-3734 FAX: 661-245-3472

www.frazierparkwater.com

Proposition 218 Notification Notice of Public Hearing

Water Rate and Fee Adjustment

Hearing Date and Time: Thursday, July 7th, 2022, at 6:00pm.

Hearing Location: Frazier Park Recreation Building, 3801 Park Dr., Frazier Park, CA 93225

This letter is to advise you that the Frazier Park Public Utility District is proposing a water rate and fee adjustment for all users of the Frazier Park Public Utility District water system. The proposal will be considered by the Board of Directors at a Public Hearing on Thursday, July 7th, 2022, 6:00pm at the Frazier Park Recreation Building, 3801 Park Dr., Frazier Park, CA 93225. You are receiving this notice in compliance with the California Proposition 218 requirement that all impacted property owners be mailed notice of proposed rate changes at least 45 days prior to a public hearing.

The Frazier Park Public Utility District will also hold an informational meeting for the public on Saturday, June 25, 2022 at 10:00am. The meeting will be held at the Frazier Park Recreation Building, 3801 Park Dr., Frazier Park, CA 93225

If you have any questions in regard to this notice, please call Frazier Park Public Utility District: Monday through Thursday, between the hours of 8:00am – 5:00pm (closed for lunch between 12:00pm – 1:00pm) at (661) 245-3734.

BASIS OF PROPOSED RATE ADJUSTMENT

Frazier Park Public Utility District is required by State law and Board policy to collect revenues sufficient to fund current and future costs of operating, maintaining, and administering the existing water facilities as well as to fund the capital improvements and infrastructure replacement program. These revenues allow the Frazier Park Public Utility District to protect public health and safety and to reliably convey and treat water. By State law, Frazier Park Public Utility District may not collect more revenue than is necessary to recover the costs of providing services. The proposed rates were developed through a comprehensive Financial Analysis designed to meet all legal requirements and fairly and equitably recover the required revenue. The Financial Analysis, which provides a detailed explanation of the projected inflationary impact on operating costs, was prepared by Rural Community Assistance Corporation (RCAC) and is available for review at the District office located at 4020 Park Drive, Frazier Park, CA 93225, the District's website - *frazierparkwater.com*, or by contacting the Frazier Park Public Utility District at the following email address: fppud1@gmail.com

WHY FRAZIER PARK PUBLIC UTILITY DISTRICT'S WATER RATE MUST BE ADJUSTED

Customer rates are the primary source of revenue to operate the Frazier Park Public Utility District water system. These rates generate the revenue to operate the system and invest in necessary upgrades. Despite the continuing increase in costs to operate the water system, Frazier Park Public Utility District has not adjusted water rates since 2019. To continue Frazier Park Public Utility District's long tradition of providing reliable water services to our customers, rate increases are necessary to cover increasing operational costs and save for future system replacements and improvements.

WHAT STEPS DID FRAZIER PARK PUBLIC UTILITY DISTRICT TAKE TO REDUCE COST BEFORE CONSIDERING INCREASING CUSTOMER RATES?

Frazier Park Public Utility District conducted a comprehensive line by line review of the budgetary expenditures to maximize available resources and reduce operational costs to a minimum. Some of the cost cutting measures included reallocating qualifying repairs and maintenance expenses to be paid from the Capital Improvement Reserve Account and a comprehensive evaluation of general overhead expenses.

RATE ADJUSTMENT HEARING PROCEDURE

All property owners, water customers of Frazier Park Public Utility District, and other interested persons are invited to attend the hearing and present written and/or oral comments. As an owner or water customer of record of a parcel subject to the imposition of the proposed rate adjustments, you may submit a written protest against the proposed rate changes. Only one written protest will be counted per identified parcel.

Written protests must include:

- Your signature and date
- Your name typed or printed under the signature
- The assessor's parcel number or street address of the property; and
- An affirmation that you are the owner or water customer of record of the property
- Only one protest will be allowed per parcel

Written protests will not be accepted by e-mail or fax. Verbal protests are welcome, however, they cannot be counted as part of this process. Protests must be received (not postmarked) prior to the close of the public hearing. Written protests may be:

- Dropped off at the District Office at 4020 Park Drive, Frazier Park, CA 93225
- Submitted in person at the public hearing
- Submitted by mail to:
  Frazier Park Public Utility District PO Box 1525
  Frazier Park, CA 93225

Frazier Park Public Utility District, after the close of the public hearing and provided that written protests from a majority of properties subject to the increased rates has not been received, will adopt the rates. The rates will not exceed the increases set forth herein. The adoption may not take place at the July 7, 2022 meeting if additional time is needed to verify and count the letters of protest. It may occur at a subsequent board meeting.

PROPOSED MONTHLY RATE SCHEDULE

The water base rate will be increased by 1% beginning August 1, 2022 as set forth on the following table and will increase annually beginning January 1, 2023. The final adjustment under this schedule will be implemented no later than January 1, 2025. Any subsequent rate adjustments that increase rates will be subject to a Proposition 218 hearing.

The proposed Administrative Fees will begin August 1, 2022 and will be subject to a cost of living adjustment each year until 2025 using the consumer price index.

PROPOSED MONTHLY RATE SCHEDULES

The Frazier Park Public Utility District Board elected to not start proposed base rate increases until the second year of the rate study 2022.

		2021	2022	2023	2024	2025
Proposed Monthly Rates						
Residential	Current Monthly Base Rate	Year 1	Year 2	Year 3	Year 4	Year 5
¾" meter	$66.55	$66.55	$67.22	$68.56	$70.62	$72.74
1" meter	$111.32	$111.32	$112.43	$114.68	$118.12	$121.67
	% of increase	0%	1%	2%	3%	3%

Business	Current Monthly Base Rate	Year 1	Year 2	Year 3	Year 4	Year 5
¾" meter	$66.55	$66.55	$67.22	$68.56	$70.62	$72.74
1" meter	$111.32	$111.32	$112.43	$114.68	$118.12	$121.67
1 ½ " meter	$221.43	$221.43	$223.64	$228.12	$234.96	$242.01
2" meter	$354.53	$354.53	$358.08	$365.24	$376.19	$387.48
3" meter	$701.80	$701.80	$708.82	$722.99	$744.68	$767.02
4" meter	$1,101.10	$1,101.10	$1,112.11	$1,134.35	$1,168.38	$1,203.44
6" meter	$2,216.72	$2,216.72	$2,238.89	$2,283.66	$2,352.17	$2,422.74
	% of increase	0%	1%	2%	3%	3%

Water Consumption fee (usage rate) for both residential and business	$2.36 per 100 cubic feet of water (equivalent of $3.15 per 1,000 gallons)	$2.36 per 100 cubic feet of water	$2.36 per 100 cubic feet of water	$2.36 per 100 cubic feet of water	$2.36 per 100 cubic feet of water	$2.36 per 100 cubic feet of water
	% of increase	0%	0%	0%	0%	0%

PROPOSED ADMINISTRATIVE FEES

	Current Fees		Proposed New Fees
Late Charge	10% of amount billed at the first of the month		10% of amount billed at the first of the month
Returned Check Fee	$35.00		$35.00
Ownership Transfer Fee	$50.00		$50.00
Disconnect Notice Posting Fee	$25.00		$25.00
Owner-Tenant Reconnection Request Fee	$100.00		$100.00
Reconnect for Non-Payment Fee	$15.00		$30.00
Service Update for ¾" to 1"	$1,000.00		$2,635.00
In Office Credit Card Fee	$1.50		$1.50
Online Credit Card Fee	1% plus $0.80		1% plus $0.80
Automated Phone Line Credit Card Fee	1% plus $0.80		1% plus $0.80
Convenience Fee to Turn On Water During Regular Business Hours (8am – 5om Monday through Thursday)	$20.00		$24.00
Convenience Fee to Turn Off Water During Regular Business Hours (8am – 5om Monday through Thursday)	$20.00		$24.00
Convenience Fee for After Hours / Weekends Turn On Water	$100.00		$155.50
Convenience Fee for After Hours / Weekends Turn Off Water	$100.00		$155.50
3 Days Activation and Lock Off	$100.00		$100.00
7 Year Abandonment Reconnection Fee	$750.00	Meter Size ¾"	$750.00
		Meter Size 1"	$926.00
		Meter Size 1 ½ "	$1,874.00
		Meter Size 2"	$2,217.00
		Meter Size = to or > 3"	$750 plus materials: meter and/or shutoff valve

	Current Fees		Proposed New Fees
Emergency Shut Off to Avoid Further Damage to Personal Property (any time)	No Charge		No Charge
Will Serve Deposit if entire New Connection fee is paid within six months from date of application, the deposit will be deducted from the Connection Fee	$200.00		$200.00
Cutting Off Locks/Curb Stops/Valves/Vandalism (minutes of October 12, 2004) per CA Penal Code 498 (stealing water) and/or 594 (vandalism)	$200.00 Each Occurrence		$321.00 Each Occurrence
Stand-By Fee collected via Kern County Assessor's Office, for any unimproved properties without service or property with service locked off for more than 6 months. Per Government Code Section 54984	$5.00 Per Parcel Per Year		$5.00 Per Parcel Per Year

In an effort to provide transparency, information will be available from the board at Frazier Park Public Utility District at (661) 245-3734. Questions can be directed to RCAC David Hossli (805) 354-3672 or dhossli@rcac.org

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BEFORE THE BOARD OF DIRECTORS OF THE FRAZIER PARK PUBLIC UTILITY DISTRICT
RESOLUTION NO. FP-20220714-01 IN THE MATTER OF:
RESOLUTION ESTABLISHING PROCEDURES FOR A PROPOSITION 218

MAJORITY PROTEST HEARING AND CALLING FOR A MAJORITY PROTEST HEARING ON A PROPOSED INCREASE IN THE DISTRICT'S BASE WATER RATE AND ADMINISTRATIVE FEES.

WHEREAS, through the adoption of Proposition 218, which added Article XIIID Section 6 to the State of California's Constitution, public agencies are now required to hold a "majority protest" hearing before they may adopt an increase in certain property related fees and charges; and,

WHEREAS, while Article XIIID Section 6 imposes certain procedural and substantive requirements for such increases, namely the need for a majority protest hearing, the Article is conspicuously silent on many logistical issues associated with providing that hearing; and,

WHEREAS, in accordance with the authorization found in Public Utilities Code section 16461. The District provides water services to its residents; and,

WHEREAS, the Board has determined after considerable debate that it is both necessary and in the best interests of the District's landowners to increase the above mentioned charges; and,

WHEREAS, due to Article XIIID's silence on certain logistical issues, the Board believes it to be in the best interest of its customers to provide them with an opportunity to be heard regarding those choices before they are implemented; and,

WHEREAS, said opportunity was provided to customers in the noticed public hearing at which the Board considered and adopted this Resolution and herein recorded the Board's well thought-out decisions on these matters after consideration of said input.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE FRAZIER PARK PUBLIC UTILITY DISTRICT does hereby resolve, declare and order as follows:

1. **Statement of Legislative Intent.** It is the District's intent in adopting this Resolution, to adopt and call for a "majority protest" proceedings which are consistent, and in compliance, with Article XIIID Section 6 of the California Constitution. In that regard, the District has properly noticed the Board's intent to adopt a resolution to this effect and held a public hearing at which members of the public were invited to provide comments before this Resolution's adoption.

2. **Base Water Rate Increase Proceedings.** The following procedures have been developed in order to comply with the provisions of Article XIIID, Section 6 of the California Constitution and shall be followed by the District in the public presentation of the proposed increase and associated policy herein mentioned as it relates to the District's base water rate and administrative fees.

   A. Amount of the Base Increase. The District has caused to be prepared an independent Financial Analysis, with assistance from the State Water Resources Control Board, entitled "Financial Analysis Prepared for Frazier Park Public Utility District", prepared by Rural Community Assistance Corporation, dated January 2022 ("Financial Analysis"). If the proposed increase on the District's base water rates are adopted after the public hearing, the District's base water rates will not increase the first year, then will increase, effective August 1, 2022, by 1% for each connection size for the second

year, then increase 2% the third year, then 3% for the fourth and fifth years. The Consumption Fee (usage rate) will not increase. The following are the proposed rates for the referenced years by meter size, and are as recommended in the Financial Analysis (page 12):

RATES IN EFFECT JANUARY 1. 2021

Water Service Monthly Charge: % inch meters $66.55 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1 inch meters $111.32 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1.5 inch meters $221.43 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 2 inch meters $354.53 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 3 inch meters $701.80 - Busfness Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 4 inch meters $1,101.10 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 6 inch meters $2,216.72 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

RATES IN EFFECT BEGINNING August 1, 2022

Water Service Monthly Charge:% inch meters $67.22 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1 inch meters $112.43 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1.5 inch meters $223.64 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 2 inch meters $358.08 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 3 inch meters $708.82 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 4 inch meters $1,112.11 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 6 inch meters $2,238.89 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

RATES IN EFFECT BEGINNING JANUARY 1, 2023

Water Service Monthly Charge: % inch meters $68.56 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1 inch meters $114.68 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1.5 inch meters $228.12 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 2 inch meters $365.24 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 3 inch meters $722.99 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 4 inch meters $1,134.35 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 6 inch meters $2,283.66 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

RATES IN EFFECT BEGINNING JANUARY 1. 2024

Water Service Monthly Charge: ¾ inch meters $70.62 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1 inch meters $118.12 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1.5 inch meters $234.96 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 2 inch meters $376.19 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 3 inch meters $744.68 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 4 inch meters $1,168.38 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 6 inch meters $2,352.17 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

RATES IN EFFECT BEGINNING JANUARY 1, 2025

Water Service Monthly Charge: ¾ inch meters $72.74 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1 inch meters $121.67 - Business and Residential Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 1.5 inch meters $242.01 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 2 inch meters $387.48 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 3 inch meters $767.02 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 4 inch meters $1,203.44 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

Water Service Monthly Charge: 6 inch meters $2,422.74 - Business Consumption Fee (Usage Rate): $3.15 per 1000 gallons.

B. Amount of the Administrative Fee Increase. If the proposed increase on the District's administrative fees is adopted after the public hearing, the District's administrative fees will increase effective August 1, 2022. The following are the proposed administrative fees which will increase each year until 2025 using the consumer price index, and are as recommended in the Financial Analysis (page 13):

• **Late Charge**	**10% of the amount billed at the first of the month**
• **Returned Check Fee**	**$35.00**
• **Ownership Transfer Fee**	**$50.00**
• **Disconnect Notice Posting Fee**	**$25.00**
• **Owner-Tenant Reconnection Request Fee**	**$100.00**
• **Reconnect for Non-Payment**	**$30.00**
• **Service Update from %" to 1"**	**$2,635.00**
• **In Office Credit Card Fee**	**$1.50**
• **Online Credit Card Fee**	**1% + $0.80**
• **Automated Phone Line Credit Card Fee**	**1% + $0.80**
• **Turn On Water During Business Hours**	**$24.00**
• **Turn Off Water During Business Hours**	**$24.00**
• **Turn On Water After Hours or Weekends**	**$155.50**
• **Turn Off Water After Hours or Weekends**	**$155.50**
• **3 Days Activation and Lock Off**	**$100.00**
• **7 Year Abandonment Fee**	
o **3,4"**	**$750.00**
o **1"**	**$926.00**
o **1 %"**	**$1,874.00**
o **2"**	**$2,217.00**
o **Meter Size = to or > 3"**	**$750 plus Materials: Meter and/or Shut Off Valve**
• **Emergency Shut Off to Avoid Further Damage to Personal Property**	**No Charge**
• **Will Serve Deposit**	**$200.00**
• **Cut Lock/Vandalism Fee**	**$321.00**
• **Stand By Fee**	**$5.00**

The Board of Directors reserves the right at any time to reduce any such rates and fees if then determined appropriate for the District fiscal needs.

C. Effective Date of Proposed Charges. The rate changes will become effective August 1, 2022.

D. Notice. The following guidelines shall be followed in providing notice of the majority protest hearing on the proposed increase and policy herein mentioned.

1. Notice will be mailed, postmarked on or about May 16, 2022, to each customer within the District as reflected in the District's current records.

2. The general form of notice is attached to this resolution as Exhibit A and shall be provided in accordance with this section and Article XIIID, Section 6 of the California Constitution.

3. The final as adopted notice shall be sent at least forty-five (45) days prior to the date set for the public hearing.

4. The District will post in the District office during the 45 day notice period, a notice that a public hearing is being held on the increase, indicating the time of the public hearing, the proposed rate increase, the basis upon which it was calculated, the reason for the increase, and the right of customers to file a written protest.

5. Failure of any person to receive notice shall not invalidate the proceedings.

E. Public Majority Protest Hearing. In accordance with the Article XIIID, Section 6 of the California Constitution, a public majority protest hearing shall be commenced to receive public comments and written protest on the proposed rate increase and associated policy. The hearing is set to be held at 6:00 PM on July 7, 2022 at the Frazier Park Recreation Building, 3801 Park Drive, Frazier Park, CA 93225. The hearing will follow the procedures set forth herein.

1. At the public hearing, the District's Board of Directors shall, until the close of the public hearing, hear public testimony and consider all written protests regarding the proposed increase and associated policy.

2. The District's Board of Directors President may impose reasonable time limits on both the length of the hearing and the length of each speaker's testimony.

3. The District's Board of Directors may continue the hearing as they deem appropriate.

4. For a protest to be received and counted for the purposes of the majority protest, it ***must be provided in writing*** to the District, submitted by mail to the FPPUD PO Box 1525, Frazier Park, CA, 93225, or in person at the public hearing, prior to the close of the July 7, 2022 public hearing. Oral protests at the hearing will not be counted unless they are accompanied by a written protest. This requirement is created by the legal need of the District to maintain a verifiable paper trail.

5. For a written protest to be accepted and counted it ***must*** contain the following:

   a. The identity of the parcel represented by the protest;

   b. The name and address of the protestant;

   c. The specific rate increase and/or fee for which the protest is being submitted in opposition (i.e. water rates);

   d. A signed statement, containing an original signature, indicating that the writing is to be considered a written protest on behalf of the parcel.

6. At the conclusion of the hearing, or shortly thereafter, a disinterested party designated by the District's Board of Directors shall begin the tabulation of the written protests, including those received at the public hearing. Presently, the disinterested party designated by the District's Board of Directors is the District's General Manager, Jonnie Allison. However, the District's Board of Directors reserves the right to change that designation in the future if the Board desires. Likewise, the Board may, if it so wishes, appoint a two member election committee to assist the disinterested party in tallying the votes.

7. Only one protest will be counted for each service address and/or parcel and only customers are entitled to vote.

8. If according to the final tabulation of the written protests, a pure majority of those entitled to protest do, the District's Board of Directors shall not impose the proposed increases or the associated policy. However, if a pure majority does not protest, the Board of Directors will adopt the proposed increase and the associated policy and implement them accordingly.

9. The results of the tabulation shall be posted at the District's office and read into the minutes of the first regularly scheduled Board meeting following the hearing.

RESOLUTION NO. FP-20220714-01 Continued

All the foregoing being on motion of Director_____seconded by

Director_____ and authorized by the following vote, to wit:

AYES: Directors:

NOES:

ABSTAIN:

ABSENT:

I HEREBY CERTIFY that the foregoing resolution is the resolution of said District as duly passed and adopted by said Board of Directors on this 14th of July, 2022.

_____

Gerald Garcia, Secretary
Frazier Park Public Utility Board of Directors

WITNESS my hand and seal of said Board of Directors this July 14, 2022.

_____

Tiffany Matte, Clerk of the Board of Directors

FRAZIER PARK PUBLIC UTILITY DISTRICT
P.O. BOX 1525
FRAZIER PARK, CA 93225