



Malaga County Water District
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Proposition 218 Notification
NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING
ON PROPOSED WATER, SEWER, AND SOLID WASTE RATES

Hearing Date & Time: March 23, 2010 at 7:00 PM
Hearing Location: 3580 South Frank Street, Fresno, California 93725

Why are you receiving this notice? This notice is being furnished to you by the Malaga County Water District pursuant to the California Constitution Article XIII D (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, sewer, and solid waste service. This letter serves as notice that the District will hold a public hearing on March 23, 2010, at 7:00 PM to consider changes to its current water, sewer, and solid waste rates.

What do water, sewer, and solid waste rates fund? The District provides water, sewer, and solid waste service to residential customers; and water and sewer services to commercial customers, within its service area. These three utilities must be financially self-sufficient. Monthly rates paid by customers are the primary source of revenue.

All revenue generated from the utility bills is used to maintain, improve, and operate the water, sewer, and solid waste utilities. These revenues must meet costs such as pumping well water, treating wastewater, electricity, chemicals, maintenance, and salaries and benefits for utility enterprise staff. Additionally, revenue generated from these rates is used to pay off debt incurred in the process of building capital improvements for each system.

Why are the rate changes required? The water and sewer utilities require extensive capital investments, in order to comply with state mandates to maintain safe and reliable systems. The water system needs \$1.2 million for a new well and the sewer system needs \$2.5 million for new effluent disposal facilities. These projects will be funded primarily with rate revenues, grants, and also by loans, and fees paid by new development connecting to the system. In addition, the rates included in this notice are required as part of the terms of the low-interest loan agreement with the state to fund improvements to the water and sewer systems. Ongoing operations costs have also increased at all three utilities since the last rate increases went into effect.

New Water Rates: Water rates have not been increased since 2004 and are currently \$12.66 per month per residence. Under the proposed rates, on April 1st, 2010, the rate will increase to \$13.93, on July 1, 2011 to \$15.32, on July 1, 2012 to \$15.78, and on July 1, 2013 to \$16.25. Thereafter, rates will be adjusted on July 1st of each year based on the annual change in the consumer price index. Table 1 on the back of this notice details the proposed water rate changes.

New Sewer Rates: Sewer rates were last changed in 2008 and are currently \$28.34 per month per residence. Under the proposed rates, on April 1, 2010, the rate will increase to \$32.59, on July 1, 2011 to \$37.48, on July 1, 2012 to \$41.23, and on July 1, 2013 to \$45.35. Thereafter, rates will be adjusted on July 1st of each year based on the annual change in the consumer price index. Table 2 details the proposed sewer rate changes.

New Solid Waste Rates: Solid waste rates were last changed in 2008 and are currently \$24.00 per month per residence. Under the proposed rates, on April 1, 2010, the rate will increase to \$24.24, on July 1, 2011 to \$24.48, on July 1, 2012 to \$24.73, and on July 1, 2013 to \$24.97. Thereafter, rates will be adjusted on July 1st of each year based on the annual change in the consumer price index. Table 3 details the proposed solid waste rate changes.

Impact on your bill: For a typical single family home, the combined water, sewer and solid waste bill would increase from \$65.00 per month currently to \$70.76 per month on April 1, 2010, to \$77.28 per month on July 1, 2011, to \$81.74 per month on July 1, 2012, and to \$86.57 per month on July 1, 2013 under the new rates.

How do you protest? Water, sewer, and solid waste rates are subject to majority protest, which means if a majority of impacted property owners (or renters if they are financially responsible for the bill) submit written protests against the increase, the District cannot institute the new rates. To protest, include your name, the address of the impacted property (or APN number) and your signature. Written protests are accepted by mail to the District Manager or in person at the public hearing on the date and time specified above.

Table 1 Malaga County Water District Proposed Water and Private Fireline Service Rates						
		Current Rate	FY10/11	FY11/12	FY12/13	FY13/14
% increase			10%	10%	3%	3%
Residential Rate (/ESU/Month)		\$12.66	\$13.93	\$15.32	\$15.78	\$16.25
Metered Rate						
	Included hcf	Meter Size				
	18	3/4"	\$15.51	\$17.06	\$18.77	\$19.33
	31	1"	26.28	28.91	31.80	32.75
	43	1 1/4"	37.25	40.98	45.07	46.42
	59	1 1/2"	51.24	56.36	62.00	63.86
	95	2"	82.24	90.46	99.51	102.50
	180	3"	155.04	170.54	187.60	193.23
	301	4"	259.05	284.96	313.45	322.85
Volume rate above base (/hcf)		\$0.88	\$0.97	\$1.06	\$1.10	\$1.13
Private Fireline Service - Monthly Charge						
		Meter Size				
		2"	\$16.45	\$18.10	\$19.90	\$20.50
		3"	31.01	34.11	37.52	38.65
		4"	51.78	56.96	62.65	64.53
		6"	84.36	92.80	102.08	105.14
		8"	135.03	148.53	163.39	168.29
		10"	194.33	213.76	235.14	242.19
Charge per thsnd sq. ft. over allowance		\$2.11	\$2.32	\$2.55	\$2.63	\$2.71

**Table 2
Malaga County Water District
Proposed Sewer Service Rates**

	Current Rate	FY10/11	FY11/12	FY12/13	FY13/14	
% increase		15%	15%	10%	10%	
Monthly Rate/Sewer ESU	\$28.34	\$32.59	\$37.48	\$41.23	\$45.35	
Permits						
Residential (per connection)	\$31.90	\$36.69	\$42.19	\$46.41	\$51.05	
Sewer permit fee (per connection)	31.90	36.69	42.19	46.41	51.05	
Non-Residential	between	\$275.00	\$316.25	\$363.69	\$400.06	\$440.06
	and	365.00	419.75	482.71	530.98	584.08

The District divides sewer customers into domestic strength (residential) and non-domestic strength (business and residential). Non-domestic-strength sewer customers discharge wastewater that is of a different strength than domestic customers. The number of equivalent sewer service units assigned to these customers is been determined based on the following equation:

$$Sewer\ ESUs = \frac{Flow\ Rate\ (gpd)}{150} * \left[0.4 + \frac{0.3 * (BOD\ \frac{mg}{l})}{175} + \frac{0.3 * (SS\ \frac{mg}{l})}{185} \right]$$

This equation normalizes 1 sewer ESU to a typical single-family residence's flow characteristics (150 gpd flow volume, 175 mg/l BOD, 185 mg/l SS).

**Table 3
Malaga County Water District
Proposed Solid Waste Service Rates**

	Current Rate	FY10/11	FY11/12	FY12/13	FY13/14
Rate Increase		1%	1%	1%	1%
Solid waste rate/ESU/month	\$24.00	\$24.24	\$24.48	\$24.73	\$24.97

Rate Survey
Monthly Bill for Residential Customers

	Water ¹	Sewer	Solid Waste	Monthly Total
City of Fresno	\$22.87	\$24.98	\$25.37	\$73.22
City of Clovis	9.13	14.68	24.46	48.27
City of Fowler	24.34	21.82	20.78	66.94
Malaga - Current	12.66	28.34	24.00	65.00
Malaga - 4/1/2010	13.93	32.59	24.24	70.76

1 - Residential water customer using 20 HCF per month

If You Have Questions, the District can be reached by phone during normal business hours at (559) 485-7353.

Starting July 1, 2014, the District will adjust water, sewer, and solid waste rates by the annual change in the Consumer Price Index, at a rate not to exceed 3%.