

Leland Meadow Water District
10454 Henshaw Drive
Stockton, CA 95219

**Leland Meadow Water District Proposition 218 Notification
NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING
ON WATER/SEWER RATES**

**Hearing Date & Time: May 25, 2019, at 11:00 AM
Hearing Location: Leland Meadow Club House**

Questions or More Information: (209) 951-0573

Why Am I Receiving This Notice?

You are receiving this notice in accordance with Proposition 218, a state law which requires providers of public utility services (including water service) to notify rate payers of increases in proposed rates. Your property receives water or sewer service from the Leland Meadow Water District (“**the District**”).

This notice is intended to provide you with information on the service provided by the District, the reasons for the proposed rates, and the methods by which you can protest the proposed rates if you desire.

What Services Do Rates Fund?

The District’s water and sewer utility enterprises are supported entirely from user fees and charges. Fees and charges must be set at a sufficient rate to cover the operating costs and system replacement capital costs necessary to operate the water and sewer systems in compliance with State and Federal requirements. There is no property tax support or other direct source of revenue for either operation. As a public agency, by State law, the District may not collect more revenue than is necessary to cover annual operating costs, including capital infrastructure replacement.

Why are Rate Increases Needed?

Rate increases are needed to keep District revenues in line with the cost of providing service. The cost of service calculation includes expenses such as labor, energy, chemicals and other supplies, and the cost of providing required maintenance of the system. In addition to funding operations, the District must also fund large capital projects such as treatment plants, distribution mains to continue to provide reliable, high quality, water and sewer service.

The Water System

The Leland Meadow Water District provides water service to 60 customers and five (5) fire hydrants located throughout the District. The system's source of water is groundwater from a single well. Water is pumped into an 86,000-gallon tank and then distributed to the system via 7,000 linear feet of concrete pipe.

The Sewer System

The Leland Meadow Water District provides sewer service to 60 customers. Sewage is collected from 5,500 linear feet of concrete pipe and transported to the treatment facility. The treatment facility consists of a multi-compartment aeration tank and three holding ponds / leach fields.

Legal Requirements

Article XIID of the California Constitution (also known as Proposition 218) requires that providers of public utility services levy service charges that are clearly linked to the cost of providing the service to each parcel. The rates proposed herein are designed to meet all legal requirements and fairly and equitably recover the required revenue from all customers.

The rates were developed by an independent consultant retained by the District and the final findings of that report, which include the detailed calculations showing the basis for these fees, are available from the District upon request.

Proposed Rate Changes

Currently, a customer is charged a fixed rate of \$300.00 per quarter or \$150.00 per quarter for water service and a fixed rate of \$150.00 per quarter for sewer service. When the proposed rates become effective customers will be billed on a monthly basis.

Water and Sewer Rates (Existing and Proposed)

Monthly Fixed Rates	2019	2019	2020	2021	2022	2023	2024
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<i>Rates Effective Date</i>		7/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
Water Rates	\$50.00	\$100.00	\$103.00	\$106.09	\$109.28	\$112.56	\$115.94
Sewer Rates	\$50.00	\$100.00	\$103.00	\$106.09	\$109.28	\$112.56	\$115.94

Compliance with Proposition 218

Proposition 218 requires that public utility providers follow a strictly defined process for increasing fees such as water service rates. The District must 1) inform affected property owners of the proposed rates, 2) clearly demonstrate that the amounts of the proposed rates are cost justified (the cost of service study is on file at the District), and 3) hold a public hearing no earlier than 45 days after noticing property owners, at which the District hears all protests to the proposed rates. These rates are subject to "majority protest," meaning they **cannot be imposed** if a majority of affected property owners submit **written** protests opposing the rates.

To Protest This Change

- 1) Notify the District in writing by close of business May 23, 2019 that you oppose the proposed increase. You must identify the property affected by the proposed rates and the property owner must sign and print their name on the **written protest**. Send to Secretary of the Board, 10454 Henshaw Drive Stockton, CA 95219. **OR**
- 2) Attend the May 25, 2019, public hearing at the time and place identified on page 1 of this notice and submit a written protest before the close of the public hearing.