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Agenda Item: ID#15-080 (5:00 P.M.)

Date: 2/5/15

2015 FEB 5 PM 2 25



## Supplemental Information Packet

Agenda Related Items – ID#15-080 (5:00 P.M.)

### **Contents of Supplement: PowerPoint Presentation** Item(s)

Actions pertaining to adopting amended water rates in accordance with Proposition 218

1. Hold public hearing regarding proposed water rates
2. \*\*\*RESOLUTION - ratifying the Proposition 218 process according to California Constitution Article XIID

#### **Supplemental Information:**

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

#### **Americans with Disabilities Act (ADA):**

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

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CITY CLERK, FRESNO CA



Securing Our Water Future



# Proposition 218 Public Hearing for Water Rate Increase

February 5, 2015

# Presentation Overview



- Prop. 218 schedule
- Prop. 218 public notice process
- Prop. 218 mailing list/ballot counting
- Public participatory process and maximizing Prop. 218 awareness
- Capital plan projects and financing
- Summary



# Prop. 218 Public Notice Process



- Based on California Constitution and Settlement Agreement
- 213,581 public notices/protest ballots mailed to property owners and ratepayers
- Printed on transmittal envelope:
  - Clear notification regarding content
  - Recipient's name
  - Assessor's Parcel Number (APN)
  - Affected property location ID
  - Recipient's street address

# Prop. 218 Public Notice Process



- Transmittal envelope included:
  - Prepaid-postage return envelope
  - Protest ballot printed in English, Spanish and Hmong
- Four page Public Notice as required by California Constitution for Prop. 218 process:
  - Basis of calculation for 5 year rate plan
  - Reasons for proposed rate changes
  - Instructions for protesting proposed rate increase
  - Also available online in English, Spanish and Hmong

# Prop. 218 Mailing List/Ballot Counting



- Mailing list:
  - Utility Billing Database + Parcel Database
  - Final mailing list count = 213,581
    - Owners of affected parcels = 133,347
    - Differences between billing and parcel databases (renters, duplicate names) = 80,300
- Ballot counting:
  - USPS, City Clerk (time stamped), Presort Center (sorted/scanned/counted); City Clerk validates
- 66,674 valid ballots required for successful protest

# Maximizing Awareness of Prop. 218



- Education efforts conducted in English, Spanish, and Hmong:
  - TV (42 spots on KFTV)
  - Radio (60 spots in Hmong, 201 in Spanish, and 441 in English)
  - Print (2 half-page advertisements in *Fresno Bee*)
  - Media Coverage (broad coverage in print, radio and television/English and Spanish)
  - Two advertisements on *Fresno Bee* website
  - 212 calls to Prop 218 Hotline (English and Spanish)

# Maximizing Awareness of Prop. 218



- City of Fresno website:
  - 712 views on Prop. 218 webpage; 165 in Spanish and 46 in Hmong
- Recharge Fresno website:
  - 2,323 page views
- Prop. 218 reminder inserts in utility bill:
  - 133,347 mailed in December/January in English, Spanish and Hmong
- Various community presentations/briefings

# Five-Year Capital Plan

## Summary of Projects and Financing



### PROJECTS

Southeast Surface Water Treatment Facility.....	\$186.4 million
Raw Water Pipelines.....	\$ 98.4 million
Finished Water Pipelines.....	\$ 55.4 million
Water System Renewal and Replacement.....	\$ 82.5 million
Groundwater Recharge.....	\$ <u>6.4 million</u>

**TOTAL = \$429.1 million**

### FINANCING

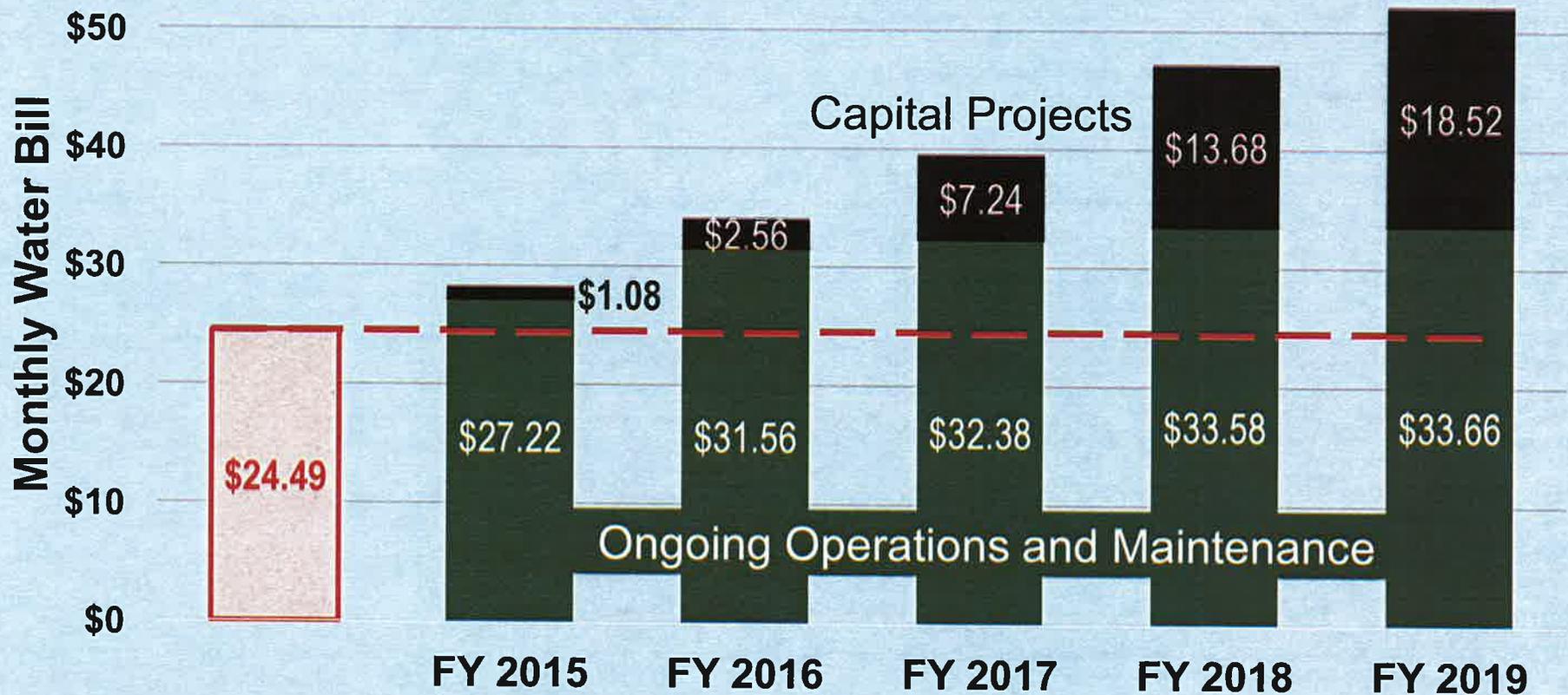
\$50 million, SRF Loan (2%, 20 years)

\$290.6 million, Revenue Bonds (5.5%, 30 years)

\$88.5 million, Cash (pay-as-you-go)

# How Rates Will Be Spent

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
O&M and Existing Debt	\$ 27.22	\$ 31.56	\$ 32.38	\$ 33.58	\$ 33.66
Rehab / Replacement	\$ 0.88	\$ 1.82	\$ 3.89	\$ 5.62	\$ 8.45
Groundwater Recharge	\$ 0.02	\$ 0.18	\$ 0.56	\$ 0.66	\$ 0.18
Surface Water Treatment	\$ 0.18	\$ 0.56	\$ 2.79	\$ 7.40	\$ 9.89
Water Supply and Distrib					
<b>Water Bill Total</b>	<b>\$ 28.30</b>	<b>\$ 34.12</b>	<b>\$ 39.62</b>	<b>\$ 47.26</b>	<b>\$ 52.18</b>



\*18 HCF water usage per month and 1 inch service

# What We Heard During Public Notice Period

- Water affordability and equity are important.
- New development should pay its fair share of program costs.
- What happens if we don't advance the capital plan and rate plan (What is Plan B)?
- The City has credibility issues (delivery of projects, transparency, compliance with adopted plans).
- What is the reliability of the City's surface water entitlements?
- Are there any restrictions on water we receive from Millerton Lake and Pine Flat Dam?
- What happens if we get additional financial support from the State of California?
- Are we certain that the Recharge Fresno plan will meet the State's requirements in the Sustainable Groundwater Management Act?

# Summary

- ✓ Compliance with stipulations of Settlement Agreement, above and beyond requirements of California Constitution (Prop. 218)
- ✓ Highly visible, multilingual notifications and information access
- ✓ Broad reach to all Fresno property owners and ratepayers

# Next Steps



- Work with the SWRCB & DFA to determine State funding to be awarded
- Update financial model to reflect anticipated additional State funding
- Present final recommended rate plan for consideration and adoption, incorporating any additional State funding
- Consider, adopt and implement rate plan
- Finalize Water Affordability Credit Program

RECHARGE  
**FRESNO** 

Securing Our Water Future



[www.RechargeFresno.com](http://www.RechargeFresno.com)