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MINASIAN LAW FIRM

November 9, 2023

Re: NOTICE OF PROPOSED INCREASE IN WATER RATES FOR WESTERN CANAL WATER DISTRICT (District)

Dear Property Owner and/or Water Customer:

This is to notify you of **PROPOSED increased** rates for water as required by Article XIII D, Section 6, of the California Constitution, known as Proposition 218. Details concerning the proposed rates, and your opportunity to protest those rates are set forth below.

Public Hearing:

A Public Hearing to consider the proposed increase in rates will be held on January 16, 2024, beginning at 9:00 AM to receive oral and written comments and tabulate written protests to the proposed rates. The Public Hearing will be conducted in person at 2003 Nelson Road, Nelson, CA 95958.

An informational workshop on the proposed increase in rates will be held on December 5, 2023, at 10:00 AM to provide an overview of the basis and need for the proposed increase, as well as to answer questions from landowners. The informational workshop will also take place at 2003 Nelson Road, Nelson, CA 95958.

Amount of Proposed Water Rates

The District proposes to adopt water rates at a maximum of \$10 per acre-foot of water, up from \$4 per acre-foot. This proposed water rate would apply for both the irrigation season and the fall/winter water season.

This is a proposed maximum rate; the District may charge up to \$10 per acre-foot under the proposal, but charges may ultimately be less than \$10 per acre-foot. The Board of Directors will annually review and set water rates as part of the District's annual budgeting process.

Basis and Reasons for the Proposed Water Rates

The District is committed to providing an affordable and reliable source of water supply for its customers. To accomplish this, the District levies a fee for water that is no higher than the District's actual cost of service. Water rates are required to be set at levels sufficient to cover the costs of (1) ongoing operations and maintenance; (2) repair of water system facilities; (3) acquisition of materials and supplies; (4) labor and administration; (5) capital improvements, (6) maintaining and defending the District's water rights; (7) compliance with and implementation of the Sustainable Groundwater Management Act; and (8) maintenance of adequate cash reserves.

A recent analysis of these costs concluded that the current rate of \$4 per acre-foot is no longer sufficient to cover the District's true cost of service. More information demonstrating the need for this new rate is publicly available on the District's website at <http://westerncanal.com/proposedwaterrateincrease>.

Protest Procedures

Any affected customer may submit a written protest to the proposed water rates; provided, however, only one protest will be counted per identified property.

Each protest must:

- (1) be in writing;
- (2) state that the identified property owner/customer opposes the proposed water rates;
- (3) identify the property for which the protest is made (by assessor's parcel number or street address); and
- (4) include the name and signature of the property owner/customer.

A sample protest form is provided on the last page of these materials. Additionally, protest forms are available at the District office at 2003 Nelson Road, Nelson, CA 95958, and are also available at <http://westerncanal.com/>

Protests submitted by e-mail, facsimile, or other electronic means *WILL NOT BE COUNTED*. Written protests may be submitted by mail to **PO Box 190 Richvale, CA 95974**. Written protests may also be delivered to office staff during regular business hours.

Written protests must be received before the close of the public hearing on January 16, 2024, beginning at 9:00 AM to be tabulated.

During the public hearing, the Board will hear a brief staff presentation and public comments. *Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest.* After receiving all protests, the Board will close the public hearing and count all written protests.

If written protests against the proposed rates are presented by a majority of owners of the parcels subject to the proposed increase, the Board will not impose the increase. Should the Board receive written protests from less than a majority of affected parcels, then the Board may adopt the proposed water rates. If adopted, the water rates may become effective commencing immediately for the 2024 irrigation season.

Statute of Limitations

There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge for water service, under Government Code section 53759.