

**Proposition 218 Notification
Notice of Public Hearing
Water Infrastructure Fee**

Hearing Date and Time: 6:00 P.M. June 20, 2023

Hearing Location: 605 School Street, City Hall Auditorium

This Notice is to advise you that the City of Loyalton is proposing a Water Infrastructure Fee (“Fee”) for all users connected to the City water system. The proposal will be considered by the City Council at a Public Hearing on June 20, 2023 at 6:00 P.M. at 605 School Street, City Hall Auditorium. You are receiving this Notice in compliance with the California Proposition 218 requirement that all impacted property owners be mailed notice of proposed property related fees at least 45 days prior to a public hearing.

If you have any questions in regard to this Notice, please call Loyalton City Hall, Monday through Friday, between the hours of 8:00 a.m. and 3:30 p.m. (closed noon – 1:00 p.m.) at (530) 993-6750.

BASIS OF PROPOSED WATER INFRASTRUCTURE FEE

The City is required by State law and City 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 City to protect public health and safely and to reliably treat and convey water. By State law, the City may not collect more revenue than is necessary provide the services and has kept the monthly charges as low as possible. Therefore, at this time the City does not have reserve funds to finance the repairs, replacements, and/or upgrades (collectively “Improvements”) that are currently necessary. The proposed Fee is developed from a quote for the Improvements necessary to meet all legal requirements. The City continues to seek additional quotes to keep the costs as low as possible. All quotes obtained, as well as any information regarding said quotes, are available for review by the public at City Hall or at cityofloyatlon.org

WHY THE CITY OF LOYALTON MUST HAVE A WATER INFRASTRUCTURE FEE

Customer rates are currently the only source of revenue to operate the City of Loyalton’s water system. These rates generate the revenue to operate the system and leave very little funding for investment in necessary upgrades. With the system being extremely old, fragile, and in some cases beyond repair, Improvements are necessary that are outside of the everyday repairs in order to continue the City’s long tradition of providing reliable water services to our customers for many years to come. With the help of the Ad Hoc committee, the City of Loyalton has been diligently seeking grants in order to provide the much needed work on the system, and continues to do so. The entire Water Infrastructure Project (“Project”) is currently estimated at \$44,000,000. The City plans to complete the Project in phases as funding is available. Multiple grants through multiple agencies both federal and state have been and will be applied for. Many grants have a “matching funds” component in order to qualify for the grant. It is imperative that the City have reserve funds available for the Project and for grants that become available to meet the matching fund requirement in order to qualify for the grants. The City is committed to continue to look for as many sources of funding as possible to cover as much as possible

but will be facing Water Infrastructure Project costs and grant match requirements in many cases. Therefore, a Water Infrastructure Fee must be collected on all properties with access to the water system in order to make this happen. This Fee will be included on each property's tax bill. The annual Water Infrastructure Fee proposed is \$300 and will be increased annually by 5% for inflation for 4 years. The increase for inflation is necessary because the Project will be completed in phases, and we will be facing increased costs through the years. This Fee will remain in effect until the required match portions of the grants obtained, as well as the portions for the Project for which grants are not available, are fully funded, including any interest and/or fees associated with said fundings. However, the fee will be in effect no longer than 40 years. All grants and external funding obtained, and any information regarding said funds, are available for review by the public at City Hall or at cityofloyalton.org

WATER INFRASTRUCTURE FEE PROTEST PROCEDURE

All property owners, water customers of the City, 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 Fee, you may submit a written protest against the proposed Fee. If written protests against the proposed Fee are presented by a majority of the owners of property or water customers subject to the Fee prior to the end of the hearing, the Council cannot approve the Fee. 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

Written protests will not be accepted by e-mail or fax. Verbal protests will not be counted. Protests must be received (not postmarked) prior to the close of the public hearing. Written protests may be submitted to:

Delivered in Person

City of Loyalton
605 School Street
Loyalton, CA 96118

Submitted by Mail

City of Loyalton
PO Box 128
Loyalton, CA 96118

The City Council, after the close of the public hearing and provided that written protests from a majority of properties subject to the proposed Fee has not been received, will adopt the Fee. The Fee will not exceed the increases set forth herein. The adoption may not take place at the meeting on June 20, 2023, if time is needed to verify and count the written protests. Adoption of the Fee may occur at a subsequent Council meeting.

In an effort to provide transparency, information will be available as noted at Loyalton City Hall and cityofloyalton.org