



Yolo County Flood Control & Water Conservation District

Effective Water Resource Management

34274 State Highway 16 • Woodland, CA 95695 • 530.662.0265 • www.ycfewcd.org

Notice of Proposed Water Rate Increase & Public Hearing

The Yolo County Flood Control & Water Conservation District's Board of Directors is moving forward with Phase II of its three-phased Revenue Stabilization Program to ensure water delivery system reliability and resiliency in the near and long-term. An additional goal is to diversify revenues in an equitable manner, since both surface and groundwater users benefit from the District's services. The Revenue Stabilization Program includes:

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| Phase I
January
2023 | Property assessment for a portion of capital improvements for the Capay Diversion Dam, along with the downstream irrigation and distribution systems, approved by property owners on March 7, 2023. Because the assessment was approved, the proposed water rate increase is lower than if the property assessment had not been approved. |
| Phase II
March
2023 | Water rate increase to adequately fund operations, maintenance, regulatory compliance projects, critical repairs, and system improvements. It will also restore the capital improvement fund and establish a drought reserve. |
| Phase III
(By 2026) | Groundwater fee, which is expected to lower Phase II water rates and balance the revenue sources. This is a future action to be coordinated with the Yolo Subbasin Groundwater Agency. |

The Cost-of-Service Analysis and Agricultural Water Rate Study details the basis for the annual expense projections used to develop the proposed water rates. The study can be found online at ycfcwcd.org, or by calling the District at (530) 661-8020.

The District last updated rates in 2015. Since that time, costs for District operations and regulatory compliance have increased and current rates are not adequate to support existing or improved levels of service. Adequate revenues are necessary for:

- Regular operations and maintenance of canals, sloughs, and turn-outs
- Regular operations and maintenance of reservoirs, dams, outlets, and appurtenant structures
- Regular repairs, improvements, and upgrades to the water delivery system during the offseason
- Large capital projects to ensure continuous service and/or modernize infrastructure for efficient, effective, and timely delivery into the future, such as: Capay Diversion Dam bladder replacement; flume rehabilitation projects at five sites; Capay Diversion Dam headworks upgrades and automation; Indian Valley Dam upgrades, etc.
- Water quality management
- Monitoring and reporting to regulatory agencies such as the Federal Energy Regulatory Commission, the California Department of Water Resources Division of Safety of Dams, the State Water Resources Control Board, fish and wildlife agencies, and others

Without these services, the water delivery system will slowly decline as the District will be forced to defer further regular maintenance and eliminate essential long-term capital investments. The reservoirs and canal system will deteriorate; vegetation will overgrow in delivery systems resulting in reduced capacity and additional water losses; repairs to broken services will be delayed and system losses will increase; existing capital assets

will reach useful life and become challenging to replace; and regulatory compliance and reporting may suffer, leading to regulatory intervention.

To adequately fund its service and regulatory requirements, the District is proposing to establish maximum annual increases for the District's water rates. If adopted by the Board of Directors, the proposed rate changes will go into effect May 2, 2023.

The proposed agricultural water rate structure would replace the current sliding scale methodology with a **flat rate** structure. A flat rate structure provides the District and its customers with more certainty around the rates and allows the District flexibility to lower rates in the future should its revenue and cash position be improved based upon robust water sales.

The proposed flat rate is comprised of three components: base rate, drought reserve, and short-term capital recovery. **The maximum total rate is \$56.30/AF** and breaks down as follows:

- Base Rate: \$39.00/AF
- Drought Reserve: \$15.50/AF
- Short-term Capital Recovery: \$1.80/AF

The District's Board of Directors can approve a rate each year up to the maximum total rate. However, the Board may also set the rate at a lesser amount, depending upon revenue requirements. Toward the end of the five-year rate period, the water rate will be re-evaluated and will either remain the same or be updated through a rate study.

The drought reserve is subject to Board policy and approval and will be discussed at the April and May Board meetings. The drought reserve policy will place a maximum cap on drought reserve funds for use in dry years.

A public hearing on the proposed water rate increase is scheduled for 7 p.m., May 2, 2023, at the Yolo County Flood Control & Water Conservation District, 34274 State Highway 16, Woodland, CA 95695. All protests will be counted at the close of the public hearing. Under Proposition 218, the proposed rate increase cannot be enacted by the Board if a majority of the District's water customers file a written protest. Only one protest per customer can be accepted. To file a valid protest:

- Handwrite or type your protest to the water rate increase
- Print your name and sign your protest (electronic signatures cannot be counted)
- Include your customer account number and service address (if different from mailing address)

Your protest must be received by the Yolo County Flood Control & Water Conservation District before the close of the public hearing at 7 p.m. on May 2, 2023. Under state law, protests received after the public hearing cannot be counted. To return your protest:

- By mail. Send to: Water Rate Protest, c/o Yolo County Flood Control & Water Conservation District, 34274 State Highway 16, Woodland, CA, 95695.
- By hand. Deliver to Yolo County Flood Control & Water Conservation District, 34274 State Highway 16, Woodland, CA, 95695.
- By hand. Deliver to the Public Hearing at 7 p.m., Tuesday, May 2, at Yolo County Flood Control & Water Conservation District, 34274 State Highway 16, Woodland, CA 95695.

There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge.

Questions? Contact us at 530-661-8020, watercosts@ycfcwcd.org, and visit <https://www.ycfcwcd.org>