

## Prop 218 Charge for Groundwater Management Increase Frequently Asked Questions

### From the Board:

Mendocino property owners' potable water supply is drawn from 420 privately owned wells, which extract from a common groundwater resource. Well density can lead to localized drawdowns that can impact the closely spaced wells in Mendocino (Figure 1). Over pumping from the limited low yield Mendocino Headlands Aquifer could potentially drop the water table below the pump intake of shallow or low yield wells.

In 1987, the California Legislature passed Water Code Section 10700-10717, which authorized the District to adopt a Groundwater Management Program to limit groundwater withdrawals in Mendocino to help prevent aquifer depletion. The District issues groundwater allotments to each developed parcel to fairly share the groundwater supply. In 2007, a Water Shortage Contingency Plan was developed by the District to help extend the groundwater supply during the recurrent droughts that impact Mendocino. We are facing another potentially serious drought this year.

The Board believes property owners want Mendocino's common groundwater resource protected against aquifer depletion. That is always foremost in our decision making process, and has led us to propose an increase in the Charge for Groundwater Management to support the Groundwater Management Program. Our goal is to guard against excessive groundwater pumping from Mendocino's aquifer. Limiting groundwater extraction will help prevent harmful declines in groundwater levels and protect marginal and shallow wells. The Groundwater Management Plan and Programs also safeguards property values from the adverse impact that would follow the loss of the Town's shared groundwater resource due to over pumping.

While the Board will continue to carefully review all future spending, it presently believes that the District's Groundwater Management Department operates efficiently, and currently has no additional room to reduce operating expenses without compromising the protection of Mendocino's primary water source.

The fee increase is needed to adequately fund the Groundwater Management Program. Please vote **YES** to protect your groundwater resource.

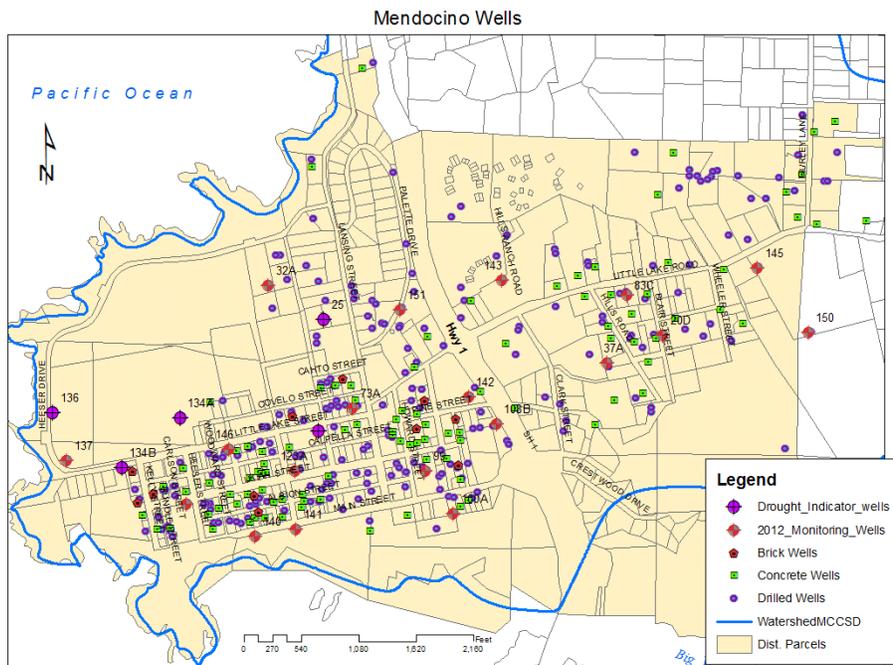


Figure 1 420 privately owned wells in Mendocino

## What is Proposition 218?

In 1996, the California electorate passed Proposition 218, which amended the California Constitution to provide that the amount of a District's "property-related" fee (which includes the sewer rates) "shall not exceed the proportional cost of the service attributable to the parcel" and that revenues from the fee "shall not exceed the funds required to provide the service." Cal. Const. Art. XIII, §6. The District has reviewed its sewer rate structure to determine that it complies with Proposition 218's requirements. Proposition 218 also provides every property owner that is subject to paying sewer rates an opportunity to protest any changes in rates. If written protests against the proposed rates are presented by a majority of property owners, sewer rates will not be raised.

The Charge for Groundwater Management rate increased must conform to the rules established by Proposition 218, which amended Article XIII of the California Constitution. The following is a summary of the key requirements of Proposition 218:

- Property related rates, fees and charges cannot exceed the reasonable cost of the proportional specific benefit conferred on the parcel of property. For example, all users are charged the same \$ per gallon fee for wastewater treatment.
- The amount of the proposed rate, fee or charge for each affected parcel shall be identified, and the owner of record for each affected parcel shall be given written notice by mail of the any proposed rate increase.
- The agency shall conduct a public hearing upon the proposed rate increases not less than 45 days after the mailing.
- If written protests against the proposed fee or charge are presented by a majority of the identified parcels, the agency shall not impose the fee or charge. The District is required by state law to follow this process for imposing rate increases, and does not have the discretion to use a different process.

## Why Is the Groundwater Management Charge increasing?

The District's Finance Committee determined an increase in the charge was necessary to meet the District's current and future groundwater management expenses. The monthly groundwater management charge increase is necessary to pay for increases in program costs for:

- Issue Groundwater Extraction Permits with approved allotments and water meter requirements
- Review applications and hold hearings on Hydrological Studies to determine if adequate groundwater is available for proposed new development in the Town of Mendocino
- Administer Water Shortage Contingency Plan
- Monthly monitoring of the depth-to-water in the District's well field
- Operate recycled water system
- Manage water meter reading database
- District groundwater model updates

Additionally, over half of the current increase to the Charge for Groundwater Management is for legal fees to protect Mendocino's limited groundwater resource. A portion of the revenue generated by the new charge for groundwater management will be used to repay \$92,000 borrowed from cash reserves and the equipment replacement fund that was used to pay for **Gomes v MCCSD** legal costs. The District successfully defended its Groundwater Management Program, Groundwater Extraction Permit Ordinance, and the Water Shortage Contingency Plan in Superior Court in 2017. Mr. Gomes is now appealing the court's decision to the First District Court of Appeals in San Francisco. \$33,000 is budgeted for the appeal in 2018.

## How is the Charge for Groundwater Management set by the District?

The current baseline two bedroom residential or Equivalent Single Dwelling (ESD) monthly sewer service charge is \$50.60. The current Monthly Charge for Groundwater Management is 11% of the monthly baseline sewer service charge for one (1) ESD or \$5.57/month. The proposed groundwater management charge will be increased to 21% of the monthly sewer fee. A two bedroom residence's charge will be \$10.63/month. Other property owners will be charged a fraction or a multiple of the one ESD baseline rate dependent on the level of parcel development.

**How much will the average customer pay as a result of the proposed increase in the Charge for Groundwater Management?**

If approved, the monthly Charge for Groundwater Management will increase from \$5.57 to \$10.63 for a two bedroom residence. Residences with more than two bedrooms and commercial users will pay a Charge for Groundwater Management based on the number of ESDs for those uses.

**When would the proposed rate increase become effective?**

If District property owners approve the proposed increase, it would become effective on August 1, 2018, and will appear on the August 2018 billing.

**When is the public hearing regarding the charge increase?**

The public hearing will be held at a regular Board of Directors meeting on May 29, 2018, at the Mendocino Community Center located at 10525 School St., Mendocino, CA. The meeting begins at 7:00 P.M.

**How can I participate?**

You can participate by attending the public hearing listed above, where you can submit oral or written comments. Property owners can vote for or against the proposed charge increase by delivering the ballot mailed to you to the District, which you can hand deliver at the District Office located at 10500 Kelly St. in Mendocino or send by U.S. Mail to: MCCSD Board Secretary, P.O. Box 1029, Mendocino, CA 95460. In order to be counted as a protest, your ballot must:

- Be signed by you
- Include your name
- Identify your property by address or APN
- Marked as a **NO** on the ballot to indicate you are opposed to the rate increases

Ballots must be delivered to the District prior to the close of the public hearing on May 29, 2018. Only one ballot per affected parcel will be counted. Ballots delivered by e-mail will not be accepted.

**Does the District offer a “lifeline” or discount rate for low or fixed income customers?**

Unfortunately, the District is prohibited by State law from offering discount rates to fixed income customers, such as the “Lifeline” rate offered by PG&E. Proposition 218 requires that all customers be charged equally for the proportional costs for providing the service.

**All you need to know:**

The Prop 218 process can be boiled down to a few simple rules:

- If you got a ballot, you’re a voter.
- If you’re OK with the proposed charge increase, toss the ballot in the recycling bin. To vote yes, do nothing.
- If you oppose the new charge, put an X or a check-mark in the ballot box next to this sentence: “I do not approve the amendments to the Monthly Charge for Groundwater Management Ordinance described in this ballot.” That’s your no vote.
- Sign the ballot on the line that says “Signature of Recorded Owner” and date the ballot.
- Mail the ballot to MCCSD, P.O. Box 1029, Mendocino, CA 95460, or take it to the District’s Office at 10500 Kelly St. in Mendocino, CA.
- To be counted, mailed ballots or ballots delivered to the District Office must be received prior to the May 29, 2018 Public Hearing.
- A ballot may be submitted to the District Secretary in person at the May 29, 2018 Public Hearing before the end of the meeting.