

PROPOSITION 218 NOTIFICATION PUBLIC NOTICE OF PROPOSED INCREASE IN SEWER RATES NOTICE IS HEREBY GIVEN that on Thursday, July 22, 2021, at 5:30 PM, a public hearing will be conducted in the Franklin County Water District Office at 2115 Drake Ave, Merced, CA 95348. This will be a Public Hearing before the Board of Directors to allow public testimony and discussion of a proposed sewer rate increases described below. The Board of Directors will take written and oral comments and will consider all written protests against the proposed increases, determine if a majority protest exists, and consider resolutions to adopt the sewer rate increases. If adopted, the new sewer rates will become effective on August 1, 2021. Written protests must be filed with the Franklin County Water District General Manager, Brenda Wey. Written protests may be hand delivered or mailed to 2115 Drake Ave, Merced, CA 95348. To be valid, written protests must state opposition to the proposed sewer rate increase, identify the Parcel (by assessor’s parcel number or street address), and include the original signature of the record water service customer or parcel owner. A written protest may be submitted up to the conclusion of the public testimony at the public hearing. BACKGROUND On May 13, 2021, the Franklin County Water District adopted a new Sewer Rate Study (2021 SRS). The 2021 SRS analyzed the adequacy of revenues to meet projected expenditures of the sewer enterprise fund (the Fund) to determine whether the Fund will be adequate to cover recurring operating and maintenance costs as well as needed capital costs while supporting debt service obligations through Fiscal Year 2025/26. The recommendation of the 2021 SRS is to implement new sewer rates for the next five years (i.e. through Fiscal Year 2025/26). The 2021 SRS provides explanation and justification of proposed water rates. The 2021 SRS reviews the Fund’s historical revenues and expenses and projects future year revenue requirements to be collected through sewer services. The 2021 SRS is available for review at the Franklin County Water District Office at 2115 Drake Ave, Merced, CA 95348 between 8:00 a.m. and 4:30 p.m., Thursday through Saturday. Franklin County Water District staff can assist you with answering any questions about your sewer bill. If you have questions or need additional information, please contact Brenda Wey at (209) 723-1353 or e-mail [brenda@franklincountywd.com](mailto:brenda@franklincountywd.com). WHY IS A SEWER RATE INCREASE NEEDED? The Franklin County Water District is required by State law to collect revenues sufficient to cover the costs of operating the sewer system. These revenues allow the District to safely and reliably provide sewer service to the residents and businesses of Franklin. Costs that must be recovered through rate revenues include utilities, equipment and supplies, salaries and benefits of staff assigned to the operation of the sewer system. In addition, revenue generated from sewer rates is used to pay for capital improvements such as improvements to the wastewater treatment facility and collection system. Revenues are also used to pay off debt and to replace equipment such as pumps and aerators. Under the current sewer rates, future revenues will be insufficient to continue operating the sewer system. Therefore, a sewer rate increase is needed to generate revenues greater than operating expenses, and operating reserves. PROPOSED SEWER RATES The following shows calculated water rates through fiscal year 2025/26:

	CURRENT	CURRENT	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
SEWER	\$36.70	\$36.70	\$41.83	\$45.53	\$46.21	\$48.37	\$51.07
STORM		\$4.30	\$4.30	\$4.30	\$4.30	\$4.30	\$4.30
<b>TOTAL</b>	<b>\$36.70</b>	<b>\$41.00</b>	<b>\$46.13</b>	<b>\$49.83</b>	<b>\$50.51</b>	<b>\$52.67</b>	<b>\$55.37</b>

**AS OF JULY 1<sup>ST</sup>, 2025 THERE WILL BE A SEWER RATE INCREASE**