



Cindy Wheeler, President
Ray Flowers, Vice- President
Eula Johnson, Director
Lee Harris, Director

Pat Williams, General Manager
Sandy Raffelson, Finance Manager/Treasurer

August 2, 2019

Dear Customer,

Attached to this letter is a Notice of Public Hearing which is to notify you of proposed changes to the water and sewer rates. As you probably know the infrastructure in West Patton Village has been in service for around 60 years and is failing. The Lahontan Regional Water Quality Control Board (Lahontan) is requiring that the community fix the failing sewer system and has issued a Notice of Violation (NOV) to the former West Patton Village CSD. HPUD is responsible for making sure this NOV is corrected before Lahontan levies fines for the violation.

We have been working on an application to the State Water Resources Control Board for funding the project. The environmental work that is required by the California Environmental Quality Act (CEQA) has been completed along with the plans and specifications. As part of the application, we are required to set water and sewer rates that will financially support the new infrastructure. Like most things in life there's good news and bad. The good news is that we have qualified the sewer and water project for maximum grant funding (100%). The bad news is the state does not complete their financial review and funding agreement until after we adopt rates. So, we must present rates as if we will not receive any grant funding and must borrow 100% of the project cost. We have prepared 2 different rates, one at 100% loan and one at 100% grant for which we qualify.

We know this process is confusing, we have tried to make it as simple as we can while complying with the state's requirements. In order to better explain these rates and the overall project, we will be having an informational meeting at the Fort Sage Family Resource Center on August 27th, 2019 at 7:00pm. We will explain the project and rates in detail and answer any questions you might have.

Please feel free to call or stop by our office and we will be more than happy to discuss this with you.

We appreciate your patience as we go through this rate setting process.

Sincerely,

Pat Williams
General Manager



Notice of a Public Hearing Regarding Water and Sewer Rates

Notice of Proposed Water Rate Increases

Pursuant to the requirements of California Proposition 218 and the California Constitution Article XIII, this notice provides information regarding consideration by the Board of Directors of the Herlong Public Utility District (“District”) to change the water facility, water usage and sewer rates. The District Board will hold a public hearing on the rates and receive public comment at the date, time and location specified below in the NOTICE OF PUBLIC HEARING.

The District provides high quality drinking water, sewer collection and treatment. The reasons for these proposed changes to rates are because of the failing infrastructure, to correct the Notice of Violation (NOV) issued by the Lahontan Regional Water Quality Control Board, and extreme water loss in the water distribution system (35-40% monthly). The District’s last rate change was in 2017 from a flat rate to a usage rate and was effective July 19, 2017. The District strives to reduce its costs in every aspect of its operations so that the average cost is affordable to its rate payers. However, the failing infrastructure has caused the NOV to be issued. The NOV and age of the existing infrastructure and extreme water loss are the primary causes which are driving these rates.

In April 2017, the District finalized the consolidation with the West Patton Village Community Services District. The consolidation resulted in the reorganization of Herlong PUD and the dissolution of the West Patton Village CSD. During this time, the District applied for funding from the State Water Resources Control Board for infrastructure replacement. While the District qualified for grant funding for both projects, the State will not commit grant funds unless the District can show its ability to pay back 100% of the loan. Therefore, the District proposes to adopt the proposed rates set forth in the tables below, which are based on qualifying for zero (0) grant dollars and having to borrow 100% of the funding.

Division II (West Patton Village) Water Facilities Charge

Water Meter Size	Description	Amount
¾"	100% Loan monthly charge per Single Family Equivalent (SFE)	\$ 84.03
¾"	100% Grant monthly charge per Single Family Equivalent (SFE)	\$20.00



All Customers Water Usage Charges

Date & time of Increase	Description	Amount
	The current water usage rate is \$1.70 per 1000/gallons	
Oct 2019	Water usage per 1000/gallons	\$ 1.80
Oct 2020	Water usage per 1000/gallons	\$ 1.90
Oct 2021	Water usage charge per 1000/gallons	\$ 2.00

Division II (West Patton Village) Sewer Collection & Treatment Charge

Sewer Lateral Size	Description	Amount
6"	100% Loan monthly charge per Single Family Equivalent (SFE)	\$ 65.62
6"	100% Grant monthly charge per Single Family Equivalent (SFE)	\$29.59

You May File a Protest

Under California Proposition 218, if you are the owner of record for a parcel or parcels or a tenant directly liable for payment of the water or wastewater fees subject to the proposed rate changes, you may submit a written protest to the District's adoption of these proposed rates. If a tenant pays the water or wastewater fees, then it is the responsibility of the property owner to provide tenants with this water rate change notice.

Protests must be filed in writing with the District Clerk any time before the close of the public hearing. Written protests may be mailed, or hand delivered to **District Clerk at PO Box 115, 447 855 Plumas Street, Herlong, CA 96113**. Any written protest must be signed by the property owner or the customer responsible for payment of the water fees and it must include the service address or assessor's parcel number (APN). Only one protest may be filed per parcel or service address.



**NOTICE OF PUBLIC HEARING
REGARDING 2019 WATER AND SEWER RATES**

Notice is hereby given that the **Herlong Public Utility District** is considering water rate changes for Division II customers. The District Board of Directors will hold a public hearing and receive public comment:

Date: Tuesday September 17, 2019

Time: 5:30 p.m.

Place: District Board Room at 447 855 Plumas Street, Herlong, California 96113

Notice is further given that the District's Board may continue the public hearing to another time.

This notice has been sent to Division II (formerly WPVCSD) customers because it is the only rate division and property owners that are affected by this rate change. The public is invited to express their views during the public hearing in written or oral form or to submit written views prior to the time of the public hearing at the District office or by mail to PO Box 115, 447 855 Plumas Street, Herlong, CA 96113.

This notice describes the water and sewer rate increase amounts, background information, and how to file a protest against the rate increases.

For more information or questions about the water and sewer rates, you may contact the District Office at 447 855 Plumas Street, Herlong, CA 96113, or visit the District's web site at herlongpud.com.