



Jamestown Sanitary District  
PO Box 247  
Jamestown, CA 95327  
(209) 984-5177

**NOTICE OF PUBLIC HEARING REGARDING  
PROPOSED ADJUSTMENTS TO SEWER RATES**

**December 11, 2024 at 6 p.m.**

**at the Community Hall at 18250 Main Street, Jamestown, CA 95327**

**TOWNHALL MEETING TO DISCUSS THE SEWER RATES**

**November 21, 2024 at 6 p.m.**

**at the Community Hall at 18250 Main Street, Jamestown, CA 95327**

The Jamestown Sanitary District (District) provides sewer (wastewater) service to approximately 835 service connections including homes and businesses throughout the Jamestown community. The District's sewer system relies on rates paid by customers to fund the costs of running the system. You are receiving this notice in compliance with the California Proposition 218 requirement that all impacted property owners be mailed a notice of proposed rate changes at least 45 days prior to a public hearing. The Board of Directors will hold a public hearing on December 11, 2024 to consider sewer rate changes for the next five years.

***Financial Challenges***

The District last increased rates in 2022 after delaying rate adjustments in 2020 and 2021 due to the COVID 19 pandemic. Unfortunately, significant rate increases are needed to keep up with operating cost increases, pay down debt, and upgrade the sewer system. Rate revenues are not able to cover debt payments on the District's 2018 loan that was used to fund improvements to the treatment system. In addition, the District needs to fund about \$2.3 million of pipeline repairs and vehicle replacements via rate revenues over the next five years. The District does not have funds to cover these costs. **Without a rate increase, the District is projected to become insolvent in four years.**

The District is also facing new costs from the Tuolumne Utilities District (TUD). The District sends its treated wastewater effluent to TUD for final disposal. TUD has notified the Jamestown Sanitary District that it will no longer accept the District's wastewater effluent at the current standard of treatment (secondary treatment). Instead, the District must construct costly upgrades to increase treatment to tertiary standards. The total potential cost of treatment upgrades is \$15.1 million. The District is pursuing grants and other outside funding sources but none have yet been secured. The District may need to finance the entire amount with a new loan.

**Billing Method**

Customers are billed monthly for sewer service. The District’s rate structure consists of a fixed monthly charge for all customers. Each customer is assigned a number of Equivalent Single Family Residential (ESFR) units. Most single family residences are assigned one ESFR, while other customers are assigned multiple ESFRs to reflect their higher use of the sewer system. The current number of ESFRs assigned to each customer was determined by the District’s engineer and is not proposed to change under the proposed rates. Only the rate per ESFR is proposed to change.

**Proposed Monthly Sewer Rates**

An independent rate consultant reviewed the District’s total cost of providing sewer service, developed a financial plan, and determined recommended increases to the Base Rate billed to each ESFR. In addition, the District is proposing to implement a new debt fee on July 1, 2028 to fund anticipated loan payments for treatment upgrades.

The proposed monthly sewer rates per ESFR are shown in the following table. The rates are based on the actual costs of providing service and do not exceed the proportional cost of the service attributable to each parcel. The proposed rates are the maximum rates the District can adopt during the five-year rate plan. The District may adopt rates at a lesser amount of the rates included in this notice, but not higher.

	Current Monthly Rate	PROPOSED MONTHLY RATES				
		Effective Date				
		Jan 1, 2025	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028
% increase to the Base Rate		65%	0%	10%	10%	10%
Base Rate per ESFR	\$81.55	\$134.56	\$134.56	\$148.02	\$162.82	\$179.10
+New Debt Fee	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>\$49.22</u>
Total Rate per ESFR	\$81.55	\$134.56	\$134.56	\$148.02	\$162.82	\$228.32

ESFR – equivalent single family residential customer.

**Townhall Meeting**

District staff and the rate consultant will hold an outreach meeting on November 21, 2024 at 6 p.m. at the Community Hall at 18250 Main Street, Jamestown, CA 95327 to address ratepayer concerns and questions.

**How do I file a protest or participate in the public hearing?**

The provisions of Proposition 218 provide that certain types of “Property Related Fees” such as sewer rates are subject to a “majority protest” process. Under the majority protest process, any property owner may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel. If protests are filed on behalf of a majority of the parcels subject to the rates, the District cannot adopt the proposed rates. A sample protest form is provided on the District’s website. Landowners are not required to use the sample protest form.

**Every written protest MUST include ALL of the following to be counted:**

- 1. A statement against the proposed sewer rates;**
- 2. Name of the recorded owner who is submitting the protest;**
- 3. Identification of the assessor's parcel number or street address of the parcel with respect to which the protest is made; and an**
- 4. Original signature and legibly printed name of the record owner who is submitting the protest.**

Written protests may be submitted by:

1. Mail to - Prop 218 Protest, PO Box 247, Jamestown, CA 95327; or
2. In-person delivery during normal business hours to 10190 Karlee Lane, Jamestown, CA 95327; or
3. In-person at the Public Hearing, prior to the conclusion of the Public Hearing.

**Regardless of how the written protest is submitted, it must be received by the District prior to the conclusion of the public comment portion of the Public Hearing on December 11, 2024.** (Postmark dates will not be accepted.) Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the District, that the enclosed protest is for the Public Hearing on Sewer Rate Increases. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest.

The District will hold the Public Hearing on December 11 at 6 p.m. The Board of Directors will review the amount of the rates as well as the methodology for calculating the proposed rates. At the conclusion of the hearing, protests will be counted and validated. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the Public Hearing, the District cannot adopt the proposed rates. If a majority of the parcels do not protest the proposed increase, the District has the authority to adopt the proposed sewer rates. The first rate change, if enacted, will go into effect on or after January 1, 2025.

Additionally, pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee adopted, modified, or amended by the District.

***Please see the following page for Frequently Asked Questions.***

## ***Frequently Asked Questions***

1) Why is the rate increase so high?

Over the past few years, the costs of providing service such as chemicals, electricity, materials and supplies have increased significantly and revenues have not kept up. The District cannot afford its current debt payments for the 2018 loan and is drawing on reserves to cover this expense. The District is also facing costs to upgrade its sewage treatment due to new requirements from Tuolumne Utilities District.

2) Could the District increase the rates by a lesser amount?

The proposed increase for January 1, 2025 is the minimum amount needed to cover operating costs and debt payment expenses. With a lesser rate increase, the District would continue to be out of compliance with its repayment terms, continue to draw upon limited reserves, and be unable to fund capital improvements.

3) What is the District doing to manage rate impacts and control costs?

As a benefit to ratepayers, the District delayed rate increases during the COVID 19 pandemic as well as eliminated penalties and credit card transaction fees. The District last implemented a rate increase in 2022 but has not raised rates since then. The District is working to control costs by applying for grants and proactively repairing the sewer system. The District secured a \$2.7 million REAP grant to conduct a condition assessment and rehabilitation. In addition, the District intends to fund about \$1 million of mainline repairs with rate revenue. By being proactive, the District hopes to avoid sewer spills and costly emergency repairs.

4) Could the rates go down if the District is able to get additional grants or other funding?

If grant funding is secured for all or a portion of treatment upgrade costs, the new proposed debt fee could be reduced or eliminated. If grants are available to fund pipeline work, rates could be slightly reduced in the later years of the rate plan. However, the January 1, 2025 rate increase is needed to cover operating costs and debt repayment for the 2018 loan. Grants do not typically cover these expenses.

5) What could happen if the rates are not adopted?

The District is out of compliance with its debt repayment requirements and is drawing upon limited reserves to cover costs. Without a rate increase, the District will fully spend down its reserves and become insolvent in about four years.

6) How can I learn more about the rate increase?

- Attend the Townhall meeting on November 21, 2024 at 6 p.m. at the Community Hall at 18250 Main Street, Jamestown, CA 95327
- The Sewer Rate Study report is available on the District's website and printed copies are available at the District's office
- Call the District's office at (209) 984-5177 for more information