



ARVIN-EDISON WATER STORAGE DISTRICT

June 16, 2023

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Deputy General Manager
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Re: Proposed Increase in General Project Service Charge

Dear Landowner:

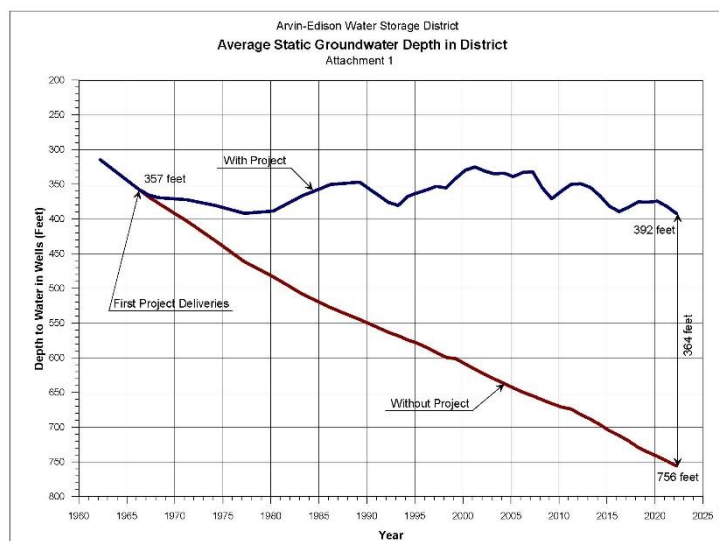
Pursuant to the provisions of Division V of the Arvin-Edison Water Storage District (District) "Rules and Regulations for the Distribution of Water," enclosed is a copy of "Notice of Filing of Preliminary Roll of General Administrative and General Project Service Charges (GAGP), the Preliminary Rates Applicable Thereto, and the Time and Place of Hearing of Objections to the Roll."

The Board, at their May 16, 2023 meeting, unanimously voted to exercise the policy regarding the future increases or decreases in the General Project Service Charge portion of the GAGP rates for this year. As you may be aware, since 1973, the District has, in most years, levied a General Administrative Service Charge ("GASC") and a General Project Service Charge ("GPSC") on lands within the District. These charges appear on your Kern County property tax bill (see attached

Notice for rates).

The GPSC is based upon many benefits, the primary, and most easily quantified special benefits that landowners receive from the District which are; 1) importation of surface water supplies, 2) the resulting stabilization and recovery of groundwater levels within the District (sustainability), and 3) the resulting savings in groundwater pumping costs versus what would have been under conditions without the District's Project and its operation (see graph to the right). These benefits are realized either through surface water supplies received directly from the District and/or from improved groundwater conditions for those landowners that are reliant on groundwater sources.

The many ancillary benefits the District provides to landowners include, among many other things, entitlement to imported federal surface water and power contracts, controlling subsidence, groundwater quality improvements, and administration of new Sustainable Groundwater Management Act (SGMA) regulations.



The GPSC has generally been levied as an amount per acre. However, sub-acre parcels have been charged a flat amount (per parcel) as opposed to on a per acre basis. The combined GASC and GPSC were increased to the present level of \$149.57 per acre (Irrigated Agricultural), \$106.51 per acre (Non-Agricultural between 1 acre and 10 acres), and \$30.51 per parcel for sub-acre parcels in accordance with Resolution 22-19 unanimously approved at the July 12, 2022 Board meeting. The District Proposition 218 Election held in July 2021, allows the District to increase to a maximum of the combined GASC and GPSC for Irrigated Agricultural parcels to \$164.57 per acre, Non-Agricultural parcels (between 1 acre and 10 acres) to \$117.49 per acre, and sub-acre parcels from \$33.57, on an as needed basis. Additionally, the Proposition 218 Election authorizes the District's Board, if necessary, after reaching these maximums, to increase the GPSC using a CPI Index to compensate for inflation. The District and Board have decided that for the next tax year 2023/2024, a 4.0% increase to the GPSC is required at this time (below the maximum).

Based upon the budget projections for the 2023-2024 Fiscal Year, the Board of Directors has set the sum of \$397,000.00 as the amount necessary to raise to meet the costs of general administrative services to be rendered during the fiscal year; the sum of \$16,536,000.00 as the District-wide amount needed to be raised during the Fiscal Year 2023-2024 to provide for and recover District's costs arising from the District's Project, in excess of the GASC, which amount reflects that portion of Project benefits and services arising to certain lands within the District as a consequence of being in a long-term stabilized groundwater basin with an assured water supply resulting from operation of the Project. The sums necessary to be raised and the charges imposed are in addition to the funds required in the form of charges to be paid by those landowners who have contracted with the District for water service.

As farmers and landowners within this District, who will also have to pay these proposed increases, we urge you to review the enclosed information carefully. The Board of Directors would not propose this increase in the GPSC if it were not absolutely necessary to maintain the District, its facilities, and the viability of our water supplies.

Should you have any questions regarding the foregoing, please do not hesitate to contact the Deputy General Manager David Nixon at (661) 854-5573.

Sincerely,



Edwin A. Camp - President



Jeevan S. Muhar - Engineer-Manager

ARVIN-EDISON WATER STORAGE DISTRICT

NOTICE OF FILING OF PRELIMINARY ROLL OF GENERAL ADMINISTRATIVE AND GENERAL PROJECT SERVICE CHARGES, THE PRELIMINARY RATES APPLICABLE THERETO, AND THE TIME AND PLACE OF HEARING OF OBJECTIONS TO THE ROLL

NOTICE IS HEREBY GIVEN that the preliminary roll prepared pursuant to a resolution of the Board of Directors of the Arvin-Edison Water Storage District fixing the amount of such charges for the 2023-2024 Fiscal Year, and further setting forth the assessee parcels, the assessee names of each parcel of assessable lands within the District, and the acreage and classification of each such parcel that is to receive a General Administrative Service Charge and/or a General Project Service Charge, and the preliminary rates established pursuant to said Resolution, are open for public inspection during regular business hours at the District office, 20401 East Bear Mountain Boulevard, Arvin, California (2 ½ miles east of Arvin).

NOTICE IS FURTHER GIVEN that July 11, 2023 at 1:00 p.m., at the District office, 20401 East Bear Mountain Boulevard, Arvin, California (2½ miles east of Arvin), is the time and place of public meeting of the Board of Directors of Arvin-Edison Water Storage District, for the purpose of publicly hearing objections to the charges established for said respective tracts of land in accordance with the matters set forth in said roll; and for finalizing said roll; and for finally fixing rates for said respective charges; and to order that said charges be collected by the County of Kern with regular County taxes for the 2023-2024 Fiscal Year.

NOTICE IS FURTHER GIVEN that the preliminary rates for said charges to be applied to the categories of lands set forth in said roll for 2023-2024 Fiscal Year as compared to the current rates are as follows:

<u>Category</u>	<u>Preliminary Rates</u>	<u>Current Rates</u>
1. Charge for tracts less than one acre in area.	\$31.70 per parcel	\$30.51 per parcel
2. Tracts receiving only the General Administrative Service Charges.	\$3.48 per acre	\$3.48 per acre
3. Composite rate for parcels one (1) to ten (10) acres non-agricultural use receiving both the General Administrative and General Project Service Charges.	\$110.63 per acre	\$106.51 per acre
4. Parcels greater than one (1) acre used primarily for agricultural purposes receiving both the General Administrative and General Project Service Charges.	\$155.57 per acre	\$149.57 per acre
5. Special composite rate for tracts in the Overlap Area of AEWSD and Wheeler Ridge-Maricopa Water Storage District as identified by Arvin-Edison Board Resolution No. 73-4; which tracts are receiving firm contract water service from the Wheeler Ridge-Maricopa Water Storage District.	\$0.00 per acre	\$0.00 per acre

NOTICE IS FURTHER GIVEN that questions regarding this matter may be directed to the District at Post Office Box 175, Arvin, California, 93203-0175, or by telephone at (661) 854-5573.

Dated: June 16, 2023

BOARD OF DIRECTORS OF THE ARVIN-EDISON WATER STORAGE DISTRICT

By 
DENNIS B. JOHNSTON, Secretary-Treasurer
Board of Directors

