



# ARVIN-EDISON WATER STORAGE DISTRICT

May 11, 2021

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District Engineer

## **Re: Proposed Increase in General Project Service Charge**

Dear Landowner:

Arvin-Edison Water Storage District (District) has levied a General Administrative Service Charge ("GASC") and a General Project Service Charge ("GPSC") on lands within the District since 1973. These charges appear on your property tax bill.

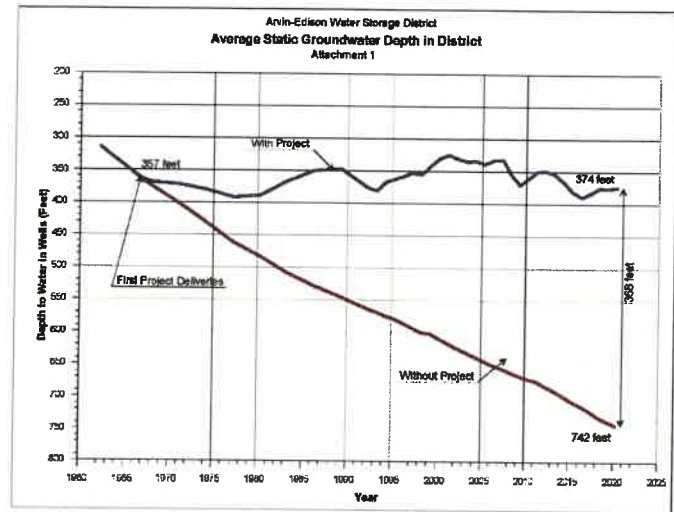
The GPSC is based upon the primary benefits that landowners receive from the District's importation of surface water supplies that stabilized groundwater levels within the District resulting in savings associated with groundwater pumping costs versus what would have been under conditions without the District's Project and its operation.

These benefits are realized either through surface water supplies received directly from the District or from improved groundwater conditions for those landowners that are reliant on groundwater sources. There are many ancillary benefits the District provides to landowners including, but are not limited to, 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 \$114.57 per acre (Irrigated Agricultural greater than 10 acres), \$81.82 per acre (Non-Agricultural between 1 acre and 10 acres), and \$23.38 per parcel for sub-acre parcels in accordance with prior District Proposition 218 Elections (held in 2006 and 2015).

The District is currently proposing an increase in the GPSC for all lands in the District to address the following challenges: 1) decreased revenues from lack of water sales, 2) necessary contributions to repair the Friant-Kern Canal subsidence, 3) SGMA implementation resulting in significant capital improvements, 4) suspension of District's water management program with Metropolitan Water District of Southern California, 5) aging infrastructure (i.e. well replacements), and 6) financial impacts of recent droughts. The District finds it necessary to propose an increase in the GPSC for all lands in the District. To implement the proposed increase, and so as to inform the District's landowners of the situation as well as give the landowners a direct say in the matter, the District has elected to follow the provisions of Proposition 218, which involves a District-wide election. Accordingly, the enclosed documents are being provided to you so you may express your voice in this election.

An Engineer's Report, commissioned by the District to analyze the cost and benefits of the District's operations, concluded that the revenues must be increased in order for the District to continue to operate and maintain its facilities, import water at the levels it has historically, address state mandated regulations (i.e., SGMA), and provide reliable water service, which benefits both landowners with access to surface water and landowners reliant on groundwater. Furthermore, the Engineer's Report concluded that, even at the proposed increased level of GPSC, property in the District paying the service charge is receiving a financial benefit from the District's project that *exceeds* the proposed increased charge.



The Engineer's Report proposes a maximum increase in the GPSC for Agricultural parcels (greater than 10 acres) from \$111.09 per acre to \$161.09 per acre, Non-Agricultural parcels (between 1 acre and 10 acres) from \$78.34 per acre to \$113.60 per acre, and sub-acre parcels from \$22.64 to \$32.83, on an as needed basis.

The District's Board of Directors has proposed an increase, less than the proposed maximum, for the 2021/2022 tax year as follows:

- Agricultural parcels from \$111.09 per acre to \$143.09 per acre,
- Non-Agricultural parcels (between 1 acre and 10 acres) from \$78.34 per acre to \$110.34 per acre, and
- Sub-acre parcels from \$22.64 to \$29.16 per parcel.

It should be noted that the District reserves the right to assess less than the maximum charge if conditions warrant.

The GASC, which is currently \$3.48 per acre for parcels of one acre and larger and \$0.74 for sub-acre parcels, will remain unchanged but will be additive on your tax bill to the above GPSC charges.

Finally, the Engineer's Report recommends authorizing the District's Board, after reaching the proposed maximums, to increase the GPSC as needed to compensate for inflation, not to exceed the increase in inflation from the prior year calculated using a CPI Index.

For your review and voting, please find the following information enclosed:

1. Formal Notice of the ballot proceedings on the proposed increase of the GPSC, which explains in more detail the voting procedures and the effect on your individual property.

2. A Ballot (ON YELLOW PAPER) on the proposed GPSC increase including details on the voting procedures and information on the reverse side, which is specific to your property.
3. A return self-addressed stamped envelope, which should be used to enclose your ballot for delivery to the District. The ballot must be received by the District, either by hand or through the mail, before the end of the public hearing on the proposed increase set for 1:00 p.m. on Tuesday, July 13, 2021 at the District office.


As provided by Proposition 218, voting on the question of whether to authorize the increase in the GPSC will be weighed according to each landowner's proportional financial obligation of the proposed increase.

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. We encourage you to exercise your right to vote on this very important matter.

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,


Board of Directors



Edwin A. Camp - President



Jeffrey G. Giumarra - Vice President




John C. Moore - Secretary Treasurer



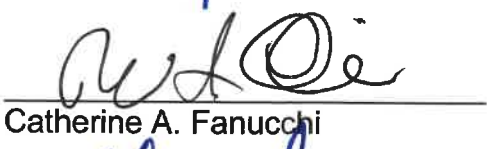
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