

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF BOARD GOVERNED COUNTY SERVICE AREAS  
AND RECORD OF ACTION**

April 7, 2026

**FROM**

**NOEL CASTILLO, Director, Department of Public Works – Special Districts**

**SUBJECT**

Resolution of Intent to Initiate Proposition 218 and Assembly Bill 2257 Proceedings for Proposed Water and Sanitation Rate Adjustments for Board-Governed County Service Areas and Their Zones

**RECOMMENDATION(S)**

Acting as the governing body for all Board Governed County Service Areas and their Zones providing water and sanitation services:

1. Adopt a **Resolution No. 2026-36** that:
  - a. Declares the Board of Supervisors' intent to initiate proceedings pursuant to Article XIII D of the California Constitution (Proposition 218) and Assembly Bill 2257 (Government Code sections 53759 through 53759.2) to consider proposed adjustments to water and sanitation service charges for Fiscal Years 2026-27 through 2030-31.
  - b. Authorizes the mailing of a Proposition 218 Notice of Public Hearing to property owners of record and customers of record subject to the proposed water and sanitation service charges at least 45 days prior to the public hearing, in accordance with Proposition 218.
  - c. Establishes procedures for the submission, review, and written response to written objections to the proposed water and sanitation service charges in accordance with Government Code section 53759.1, including deadlines for submission of written objections and procedures for presentation of written objections and County responses to the Board of Supervisors prior to the close of the public hearing.
  - d. Directs the Clerk of the Board of Supervisors, in coordination with the Department of Public Works, to take all actions necessary to implement the notice, objection, and hearing procedures required under Proposition 218 and Government Code sections 53759, 53759.1, and 53759.2, including:
    - i. Making the written basis for the proposed charges available to the public;
    - ii. Receiving written objections;
    - iii. Preparing written responses to timely submitted objections; and
    - iv. Presenting the objections and responses to the Board of Supervisors prior to or during the public hearing, and
    - v. Maintaining the administrative record of the proceedings.
2. SCHEDULE A PUBLIC HEARING FOR 10:00 A.M. ON JUNE 9, 2026, to:
  - a. Consider the proposed water and sanitation service charge adjustments;
  - b. Consider and respond to timely written objections submitted in accordance with Government Code sections 53759.1 and 53759.2 prior to the close of the public hearing;

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- c. Receive and tabulate written protests submitted by property owners of record or customers of record pursuant to Proposition 218 to determine whether a majority protest exists; and
  - d. Introduce an ordinance implementing the proposed water and sanitation service charge adjustments for Fiscal Years 2026-27 through 2030-31, to be considered if no majority protest exists.
3. Direct the Department of Public Works – Special Districts to mail the Proposition 218 Notice of Public Hearing to the property owners of record and customers of record subject to the proposed water and sanitation service charge adjustments at least 45 days prior to the public hearing, in accordance with Proposition 218 and Government Code sections 53759 *et seq.*
  4. Direct the Clerk of the Board of Supervisors to publish the Notice of Public Hearing in accordance with applicable law.
  5. Find that the proposed action has been reviewed for compliance with the California Environmental Quality Act and that the action does not constitute a “project” under Public Resources Code section 21065 and State California Environmental Quality Act Guidelines section 15378(b)(4) because it involves the establishment or modification of rates and charges by a public agency, and further find that, even if the action were considered a project, it is exempt from California Environmental Quality Act pursuant to Public Resources Code section 21080(b)(8) and State California Environmental Quality Act Guidelines section 15273, as it involves the establishment or modification of rates and charges for the purpose of meeting operating expenses and maintaining services within existing service areas.  
(Presenter: David Doublet, Assistant Director, 386-8811)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Promote and Fulfill the Countywide Vision.**

**Improve County Government Operations.**

**Operate in a Fiscally Responsible and Business-Like Manner.**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The proposed adjustments are intended to ensure that revenues collected from water and sanitation service charges remain sufficient to fund the operation, maintenance, repair, replacement, and regulatory compliance costs associated with the systems serving the applicable Board-governed County Service Areas and their Zones (Districts).

The estimated revenue from the proposed water and sanitation rate adjustments for the Districts is \$16,277,869 for Fiscal Year 2026-27, which is an overall increase of \$1,127,195, or a 7.44% overall increase, from the \$15,150,674 estimated for Fiscal Year 2025-26.

The proposed adjustments are based on a Water and Sanitation Rate Study Report and include sanitation rate increases between 1.74% and 10% and water rate increases ranging from 3.5% to 30%. The proposed water rate adjustments incorporate a fixed meter charge and a transition to a single usage-based rate. Overall water service rate adjustments will vary depending on individual customer water use. Adjustments ranging from 1.74% to 10.0% are being proposed in subsequent fiscal years from 2027-28 through 2030-31.

If approved, it is anticipated that the proposed rate adjustments will become effective around August 1, 2026.

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**BACKGROUND INFORMATION**

The Department of Public Works – Special Districts, Water and Sanitation Division (Department) operates, manages, and administers various Districts that provide water and sanitation services within the unincorporated county.

These systems require ongoing funding to support routine operations and maintenance, infrastructure repair and replacement, regulatory compliance, and long-term capital planning. The last adjustment to water and sanitation service charges for the applicable Districts occurred on May 23, 2023 (Item No. 110), when the Board of Supervisors (Board) adopted Ordinance No. SD 23-05 which authorized a 3.5% increase per year for 2023-24 through 2025-26. Since that time, the cost of providing water and sanitation services has increased due to inflation, labor and material cost increases, and evolving state and federal regulatory requirements.

Under Proposition 218, water and sanitation service charges may not exceed the amount necessary to recover the reasonable costs of providing those services. To support the continued financial sustainability of the systems and ensure compliance with these requirements, the Department, in consultation with a qualified consultant, prepared a Water and Sanitation Rate Study Report. The report evaluates the costs associated with providing water and sanitation services and recommends updated service charges based on those findings.

Proposition 218 requires that property owners and customers of record be provided written notice and an opportunity to protest proposed property-related fee increases before they may be adopted. The notice must describe (i) the proposed charges, (ii) the basis upon which the charges were calculated, (iii) the reason for the charges, and (iv) the date, time, and location of the public hearing.

In addition, Assembly Bill 2257, signed into law in 2024, added Government Code sections 53759.1 and 53759.2, which clarify procedures for submitting written objections and establish exhaustion-of-administrative-remedies requirements for legal challenges to property-related fees and charges. Under these provisions:

- Property owners and customers of record may submit written objections to the proposed rates by the deadline established in the mailed notice;
- The County must review and prepare written responses to all timely submitted objections prior to the close of the public hearing;
- Written objections and the County’s responses must be presented to the Board as part of the administrative record;
- Written objections must be submitted separately from written protests; and
- Failure to submit a timely written objection may limit or bar subsequent legal challenges to the rates.

To ensure compliance with Government Code sections 53759 through 53759.2 and to establish a clear administrative record, the County will receive, review, and respond in writing to all timely

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submitted written objections prior to the close of the public hearing, and the written objections and County responses will be presented to the Board as part of the public hearing proceedings.

Pursuant to Government Code section 53759.1, failure to submit a timely written objection in accordance with the procedures described in the mailed notice may limit or bar subsequent legal challenges to the proposed water and sanitation service charges and may limit such challenges to issues raised in a valid written objection submitted during the administrative process.

To comply with Proposition 218 and the procedural requirements established by Government Code sections 53759 through 53759.2, the following schedule is proposed:

- April 7, 2026 (Adoption of Resolution of Intent) – The Board adopts the Resolution of Intent establishing procedures for submission of written protests and written objections and directs the Department to issue the required Proposition 218 notice.
- April 8, 2026 (Mailing of Proposition 218 Notice) – The Department mails Proposition 218 notices to property owners and customers of record subject to the proposed water and sanitation service charges.
- May 25, 2026 (Deadline for Written Objections and Department Responses) – Deadline for submission of written objections, which occurs more than 45 days after mailing of the notice. Department staff will subsequently review all timely objections and prepare written responses. These responses will be included in the Board Agenda Item materials for the public hearing for review, consideration, and determinations.
- June 9, 2026 (Public Hearing and Majority Protest Tabulation) – Public hearing conducted. Written protests may be submitted until the close of the public hearing. The Board will consider the proposed rates, review the written objections and County responses, and tabulate written protests to determine whether a majority protest exists.
  - If the Board determines that a majority protest exists, the proposed water and sanitation service charge adjustments may not be adopted. If the Board determines that no majority protest exists, the Board may proceed with the introduction of an ordinance implementing the proposed water and sanitation rate adjustments.
- June 23, 2026 (Final Adoption of Ordinance) – Final adoption of the ordinance implementing the revised rates, as amended if necessary, on the consent calendar.

The revised rates, if approved, would become effective 30 days after final adoption of the ordinance, and residential customers would see the adjustment reflected on their property tax bill in August 2026.

Adoption of the Resolution of Intent will initiate the Proposition 218 and AB 2257 process, authorize the mailing of the required notice, establish procedures for submission and review of written objections, schedule the public hearing at which the Board will consider the proposed charges and receive written protests, and create a clear and complete administrative record.

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**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on April 1, 2026; and County Finance and Administration (Matthew Dalton, Administrative Analyst, 387-5005) on March 31, 2026.

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Record of Action of the Board of Supervisors  
Board Governed County Service Areas

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Curt Hagman  
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: April 7, 2026



cc: File - Board Governed County Service Area - General  
MBA 04/9/2026