

NOTICE OF PUBLIC HEARING
REGARDING THE ADOPTION OF A SPECIAL BENEFIT ASSESSMENT

The purpose of this Notice is to provide you with information about the assessment ballot proceeding being conducted by the North Fork Kings Groundwater Sustainability Agency (NFKGSA or Agency) and its effect on real property that you own. This notice is being sent to you in accordance with Section 53753 of the California Government Code, and Article XIID, Section 4, of the California Constitution. This election is being held in accordance with Proposition 218, which is a Constitutional Initiative approved by the voters of California in November 1996 which requires new or increased assessments to be approved by affected landowners.

Please be advised that a public hearing is set for 5:30 p.m. on May 9, 2018, at the Riverdale Memorial Hall, 3085 W. Mt. Whitney Avenue, Riverdale CA 93656 to consider establishing an assessment. If you wish to comment on this matter you are invited to do so at the Public Hearing.

The NFKGSA recently formed as a Groundwater Sustainability Agency (GSA) with the primary purpose of achieving compliance with the Sustainable Groundwater Management Act (SGMA) for landowners within the NFKGSA. SGMA is a State law that was adopted in 2014 and requires improved management and balance of groundwater supplies. SGMA is an unfunded mandate from the State, meaning the costs to comply with the law will be borne by local landowners. The newly formed Agency proposes to implement an assessment rate structure that is sufficient to fund Agency operations and required initial activities pursuant to SGMA.

Based on the Agency's needs, the NFKGSA Board of Directors is requesting landowner approval to levy assessments to generate sufficient revenue to fund annual Agency operation costs and expenses associated with the development and implementation of a Groundwater Sustainability Plan (GSP). Expenses consist of administrative support, GSP development and implementation occurring over the next several years, and GSA administration. The administrative annual expenses include an assumed annual inflation factor of three percent (3%).

The proposed Agency's activities are considered special benefits to the assessable parcels within the Agency (defined as those parcels that are included on the County of Fresno or County of Kings tax rolls) established for a specific purpose, namely sustainable management of shared groundwater resources.

There are 163,613.7 assessable acres in the Agency's boundaries subject to the proposed assessment, and the NFKGSA Board proposes a maximum special assessment of \$10.00 per acre per year on the subject properties. Therefore, the annual maximum total amount of the proposed special assessment to be approved by this election will be \$1,636,137. It will be up to the Board of Directors to set the annual assessment rate and the Board may choose to set the annual rate lower than the maximum rate proposed.

Your maximum assessment can be calculated as follows:

$$\$10.00/\text{acre} \times \text{your total acreage in NFKGSA} = \$ \text{your proposed maximum assessment}$$

Local Control Versus State Control

If NFKGSA is unable to fund the activities required to comply with the State's groundwater regulations, then the local control effort will fail and the State Water Resources Control Board (SWRCB) will step in to manage the area's groundwater using a process called State Regulatory Intervention. Should that happen, the State will regulate how much groundwater a landowner can pump and will collect fees to recover its costs to intervene. The cost of State intervention will be significantly higher than the current rate proposed

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by the NFKGSA Board without the benefit of developing local projects or programs to help achieve groundwater sustainability.

If approved, the assessment will be included in the Fresno County and Kings County tax rolls beginning in Fiscal Year 2018-19. The Agency Board will consider how much to assess each year and depending on the funds projected to be needed for the year, assessments may be approved up to the maximum proposed rate of \$10.00 per acre each year. The funds raised by this assessment will be used to cover the administration of the GSA, the preparation of the GSP, and the initial implementation of the Plan. The Board adopts an annual budget, reviews and authorizes payment of expenses at regular public meetings and contracts with a local public agency that provides fiscal agent functions. The GSA is audited annually by an independent accounting firm.

An Engineer's Report was prepared by a registered professional engineer to determine the proposed assessment rate. The Engineer's Report's calculations were based upon a review of the annual budget, anticipated expenses, and the benefits that are conveyed to landowners within the Agency. The benefits to all landowners within the GSA were identified as the benefits that are conferred upon those parcels in the GSA that use, or have the potential to use, groundwater. Therefore, the Engineer's Report concluded that under this new assessment your property will receive a financial benefit from the GSA's operations commensurate with the proposed assessment. The Engineer's Report is available for review on the North Fork Kings GSA website, NorthForkKings.org. Objections to the assessment roll or rate established for the respective parcels of land in accordance with said preliminary roll will be heard at said Public Hearing on May 9, 2018.

Enclosed with this notice, you will find an assessment ballot

Please follow the directions listed on the assessment ballot to express your view on the proposed maximum assessment. You may **mail your ballot in the enclosed postage paid envelope to North Fork Kings GSA, c/o MK Elections, LLC, P.O. Box 24023, Fresno, CA 93779-9988**. Sealed ballots may also be hand-delivered to the North Fork Kings GSA office (c/o Kings River Conservation District, 4886 E. Jensen Ave., Fresno, CA 93725) during normal business hours. Hand-delivered ballots will also be accepted at the Public Hearing. Regardless of whether you choose to mail or hand-deliver your ballot, it *MUST* be received no later than the conclusion of the Public Hearing, which starts at 5:30 p.m. on May 9, 2018 or it will not be counted in the final tabulation of ballots.

The number of votes you can cast with respect to your property will correspond to the potential financial obligation imposed on your property. You may change your vote at any time prior to the conclusion of the Public Hearing on this matter. However, because the ballots must remain sealed until the tabulation begins regardless of your method of delivery, you will be provided a replacement ballot to provide your new vote upon request.

After the hearing, MK Elections will tabulate the ballots weighted according to the proposed increase to you for your parcel(s) and will post the results as soon as practical. If the number of votes submitted in opposition to the proposed assessment rate exceed the number of votes submitted in favor (weighted according to the parcel acreage and proposed assessment rate), the Board of Directors will not impose the proposed assessment.

More information about the proposed assessment can be found at the NFKGSA website, NorthForkKings.org. You may also email Prop218@NorthForkKings.org or call (559) 242-6118 or (559) 554-4123.