

Burney Water District



20222 HUDSON STREET, BURNEY, CA 96013 (530) 335-3582

April 21, 2016

Notice of Proposed Increase in Water and Sewer Rates in Compliance with Proposition 218

Dear Customer:

This notice is to advise property owners and ratepayers served by the Burney Water District (BWD) of a proposed increase to the following rates, fees and charges:

- Water consumption rates;
- Water base rates;
- Sewer base rates;

These changes would take effect on the billing statement you will receive on or around July 1, 2016. It also provides information about a Public Hearing on June 16, 2016 at which written and oral comments will be considered and a vote on the increase will be taken by the BWD Board of Directors. Furthermore, it provides information about why BWD needs to increase rates.

At the board meeting of March 17, 2016, the BWD Board of Directors adopted a proposed Preliminary budget that includes a proposed increase in the rates and charges listed above. In compliance with State Proposition 218, passed by California voters in 1996, BWD is hereby notifying all affected property owners and water customers of the proposed rate changes.

See the table at the end of this notice titled Fiscal Year 2016-2017 Proposed Fee, Rate and Charge Increases for a comparison of the current fees, rates and charges and the proposed fees, rates and charges.

Why are water and sewer rates being increased?

In 2014, BWD hired PACE Engineering to prepare three planning documents to guide the District's future efforts to ensure a safe and reliable water supply and environmentally safe disposal of wastewater. Two of these documents, the Water and Sewer Master Plans, provide preliminary plans and cost estimates for major capital improvements recommended over the next ten to thirty years, based on inspection, condition assessment, and capacity analysis of BWD's Water and Sewer infrastructure.

The third document, the Water and Sewer Utility Rate Study, was prepared after the Water and Sewer Master Plans. The Rate Study document includes a review and analysis of the operation of the District's Water and Sewer Utilities based upon historic revenues and expenditures (including personnel, operation and maintenance (O&M), debt service, normal additions and replacements to the systems, administration, existing capital improvement programs, and depreciation), the proposed system's Capital Improvement Plans as updated from the Water and Sewer Master Plan documents, and projected future revenue requirements.

The purpose of the Rate Study was to determine if BWD's current rate structure provided adequate revenues needed to allow the District to recover the total costs of operating and maintaining the water and sewer systems from existing and future customers, and to identify possible changes to the District's current rate structures necessary to provide future revenues needed to meet projected costs. The Rate Study proposes annual water and sewer rate adjustments for the next five years, through fiscal year 2018-2019, and was developed under the premise that service charges would be equitable such that, as nearly as practical, each customer would pay their fair share of the costs of providing the services received.

How will the proposed increase affect my water and sewer bill? The water and sewer base rate increases will increase the average customer's bill by a minimum of \$3.66 per billing period, and an additional \$0.07 per 100 cubic foot of water usage. If you were to use 1000 cubic feet in a billing period, your bill would be \$0.70 higher than at your current rate.

A public hearing before the Board of Directors of the Burney Water District to consider the issue of a rate increase is scheduled for:

**6:30 pm, Thursday, June 16, 2016
 Burney Water District Office Board Meeting Room
 20222 Hudson Street,
 Burney, CA 96013**

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners or customers, the proposed rate changes will not be imposed.

Your written protest must be received prior to the close of the June 16, 2016 public hearing. Written protests must include a description of the parcel (parcel number) or utility (BWD) account number. E-mail protests will not be accepted. Send or deliver written protests to:

**Board Secretary
 Burney Water District
 20222 Hudson Street
 Burney, CA 96013**

We want to keep this rate increase as low as we can to minimize the financial impact on you, the ratepayers. However, we need to be able to adequately finance our operations in order to continue to provide a safe and reliable water supply and environmentally safe disposal of wastewater. We appreciate the opportunity to serve you.

Sincerely,

William M. Rodriguez
 District Manager,
 Burney Water District

Fiscal Year 2016-2017 Proposed Fee, Rate and Charge Increases:

	Current Rate	Proposed Rate	% Change
Water Consumption - Residential	\$0.83 per 100 cubic feet	\$0.90 per 100 cubic feet	8 %
Water Consumption - Commercial	\$0.83 per 100 cubic feet	\$0.90 per 100 cubic feet	8 %
Water Consumption - Industrial	\$0.83 per 100 cubic feet	\$0.90 per 100 cubic feet	8 %
Water Base Rate – Monthly Charge			
5/8" x 3/4" Meter	\$15.50 per month	\$16.74 per month	8 %
All other meters	Varies	Varies	8 %
Sewer Base Rate – Monthly Charge	Varies – Lowest Sewer Base Rate is \$24.23 per month	Varies – Lowest Sewer Base Rate is \$26.65 per month	Approximately 10 %

Burney Water District – 2014 Rate Study Recommended Sewer Rates

	Adopted (FY 13-14)	Adopted (FY 14-15)	Adopted (FY 15-16)	Budgeted (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)
Recommended Monthly Base Rate (\$/HE)	\$16.15	\$20.19	\$24.23	\$26.65	\$28.78	\$29.64
Recommended Monthly Commodity Charge (\$/CF Average Winter Water Use)	\$0.011	\$0.014	\$0.017	\$0.018	\$0.020	\$0.020
Calculated Projected Sewer Rates Based on Average Winter Water Use (\$Base + \$Commodity / Month)						
0 - 4 CF	\$16.15	\$20.19	\$24.23	\$26.65	\$28.78	\$29.64
5 - 99 CF	\$16.70	\$20.26	\$24.32	\$26.74	\$28.88	\$29.74
100 - 199 CF	\$17.80	\$21.59	\$25.93	\$28.45	\$30.78	\$31.64
200 - 299 CF	\$18.85	\$22.99	\$27.63	\$30.25	\$32.78	\$33.64
300 - 399 CF	\$20.05	\$24.39	\$29.33	\$32.05	\$34.78	\$35.64
400 - 499 CF	\$21.30	\$25.79	\$31.03	\$33.85	\$36.78	\$37.64
500 - 599 CF	\$22.25	\$27.19	\$32.73	\$35.65	\$38.78	\$39.64
600 - 699 CF	\$23.35	\$28.59	\$34.43	\$37.45	\$40.78	\$41.64
700 - 799 CF	\$24.40	\$29.99	\$36.13	\$39.25	\$42.78	\$43.64
800 - 899 CF	\$25.40	\$31.39	\$37.83	\$41.05	\$44.78	\$45.64
900 - 999 CF	\$26.55	\$32.79	\$39.53	\$42.85	\$46.78	\$47.64
1000 - 1099 CF	\$27.70	\$34.19	\$41.23	\$44.65	\$48.78	\$49.64
1100 - 1199 CF	\$28.80	\$35.59	\$42.93	\$46.45	\$50.78	\$51.64
1200 - 1299 CF	\$29.85	\$36.99	\$44.63	\$48.25	\$52.78	\$53.64
1300 - 1399 CF	\$31.05	\$38.39	\$46.33	\$50.05	\$54.78	\$55.64
1400 - 1499 CF	\$32.10	\$39.79	\$48.03	\$51.85	\$56.78	\$57.64
1500 - 1599 CF	\$33.20	\$41.19	\$49.73	\$53.65	\$58.78	\$59.64
1600 - 1699 CF	\$34.30	\$42.59	\$51.43	\$55.45	\$60.78	\$61.64
1700 - 1799 CF	\$35.40	\$43.99	\$53.13	\$57.25	\$62.78	\$63.64
1800 - 1899 CF	\$36.50	\$45.39	\$54.83	\$59.05	\$64.78	\$65.64
1900 - 1999 CF	\$37.75	\$46.79	\$56.53	\$60.85	\$66.78	\$67.64
2000 - 2099 CF	\$38.75	\$48.19	\$58.23	\$62.65	\$68.78	\$69.64
2100 - 2199 CF	\$39.80	\$49.59	\$59.93	\$64.45	\$70.78	\$71.64
2200 - 2299 CF	\$40.90	\$50.99	\$61.63	\$66.25	\$72.78	\$73.64
2300 - 2399 CF	\$42.00	\$52.39	\$63.33	\$68.05	\$74.78	\$75.64
2400 - 2499 CF	\$43.15	\$53.79	\$65.03	\$69.85	\$76.78	\$77.64
2500 - 2599 CF	\$44.30	\$55.19	\$66.73	\$71.65	\$78.78	\$79.64
2600 - 2699 CF	\$45.30	\$56.59	\$68.43	\$73.45	\$80.78	\$81.64
2700 - 2799 CF	\$46.00	\$57.99	\$70.13	\$75.25	\$82.78	\$83.64
2800 - 2899 CF	\$47.50	\$59.39	\$71.83	\$77.05	\$84.78	\$85.64
2900 - 2999 CF	\$48.60	\$60.79	\$73.53	\$78.85	\$86.78	\$87.64
3000 - 3099 CF	\$49.85	\$62.19	\$75.23	\$80.65	\$88.78	\$89.64
3100 - 3199 CF	\$50.75	\$63.59	\$76.93	\$82.45	\$90.78	\$91.64
3200 - 3299 CF	\$51.95	\$64.99	\$78.63	\$84.25	\$92.78	\$93.64
3300 - 3399 CF	\$53.00	\$66.39	\$80.33	\$86.05	\$94.78	\$95.64
3400 - 3499 CF	\$54.10	\$67.79	\$82.03	\$87.85	\$96.78	\$97.64
3500 - 3599 CF	\$55.20	\$69.19	\$83.73	\$89.65	\$98.78	\$99.64
3600 - 3699 CF	\$56.35	\$70.59	\$85.43	\$91.45	\$100.78	\$101.64
3700 - 3799 CF	\$57.45	\$71.99	\$87.13	\$93.25	\$102.78	\$103.64
3800 - 3899 CF	\$58.50	\$73.39	\$88.83	\$95.05	\$104.78	\$105.64
4300 - 4399 CF	\$64.00	\$80.39	\$97.33	\$104.05	\$114.78	\$115.64
4400 - 4499 CF	\$65.15	\$81.79	\$99.03	\$105.85	\$116.78	\$117.64
4600 - 4699 CF	\$67.25	\$84.59	\$102.43	\$109.45	\$120.78	\$121.64
4800 - 4899 CF	\$69.50	\$87.39	\$105.83	\$113.05	\$124.78	\$125.64
5100 - 5199 CF	\$72.85	\$91.59	\$110.93	\$118.45	\$130.78	\$131.64
5300 - 5399 CF	\$74.95	\$94.39	\$114.33	\$122.05	\$134.78	\$135.64
5600 - 5699 CF	\$78.35	\$98.59	\$119.43	\$127.45	\$140.78	\$141.64
6600 - 6699 CF	\$89.35	\$112.59	\$136.43	\$145.45	\$160.78	\$161.64
7600 - 7699 CF	\$100.20	\$126.59	\$153.43	\$163.45	\$180.78	\$181.64
7700 - 7799 CF	\$101.45	\$127.99	\$155.13	\$165.25	\$182.78	\$183.64
8300 - 8399 CF	\$108.05	\$136.39	\$165.33	\$176.05	\$194.78	\$195.64
8800 - 8899 CF	\$114.75	\$143.39	\$173.83	\$185.05	\$204.78	\$205.64
11100 - 11199 CF	\$138.80	\$175.59	\$212.93	\$226.45	\$250.78	\$251.64
12600 - 12699 CF	\$155.30	\$196.59	\$238.43	\$253.45	\$280.78	\$281.64
12700 - 12799 CF	\$156.40	\$197.99	\$240.13	\$255.25	\$282.78	\$283.64
15700 - 15799 CF	\$189.45	\$239.99	\$291.13	\$309.25	\$342.78	\$343.64
17600 - 17699 CF	\$209.05	\$266.59	\$323.43	\$343.45	\$380.78	\$381.64
20400 - 20499 CF	\$241.25	\$305.79	\$371.03	\$393.85	\$436.78	\$437.64
Other Rates - Commercial / Industrial	Varies	+25%	+20%	+10%	+8%	+3%

Burney Water District – 2014 Rate Study Recommended Water Rates						
	Adopted (FY 13-14)	Adopted (FY 14-15)	Adopted (FY 15-16)	Budgeted (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)
RECOMMENDED CONSUMPTION CHARGES (\$/100 CF)						
Residential	\$0.70	\$0.77	\$0.83	\$0.90	\$0.93	\$0.94
Commercial	\$0.70	\$0.77	\$0.83	\$0.90	\$0.93	\$0.94
Industrial	\$0.70	\$0.77	\$0.83	\$0.90	\$0.93	\$0.94
RECOMMENDED MONTHLY BASE RATE SERVICE CHARGES (\$/MONTH)						
5/8" Meter	\$13.05	\$14.36	\$15.50	\$16.74	\$17.25	\$17.59
3/4" Meter	\$13.83	\$15.21	\$16.43	\$17.74	\$18.28	\$18.64
1" Meter	\$14.35	\$15.79	\$17.05	\$18.41	\$18.96	\$19.34
1 1/2" Meter	\$15.85	\$17.44	\$18.83	\$20.34	\$20.95	\$21.37
2" Meter	\$20.45	\$22.50	\$24.29	\$26.24	\$27.03	\$27.57
3" Meter	\$30.80	\$33.88	\$36.59	\$39.52	\$40.70	\$41.52
4" Meter	\$46.15	\$50.77	\$54.83	\$59.21	\$60.99	\$62.21
6" Meter	\$69.20	\$76.12	\$82.21	\$88.79	\$91.45	\$93.28
8" Meter	\$113.90	\$125.29	\$135.31	\$146.14	\$150.52	\$153.53
10" Meter	\$141.85	\$156.04	\$168.52	\$182.00	\$187.46	\$191.21