

**Proposition 218 Notification  
Notice of Public Hearing  
Water Rate Adjustment**

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**Hearing Date and Time: July 14<sup>th</sup> 2019 at 11:00 am**

**Hearing Location: 2850 Eastlake Drive Kelseyville, CA 95451**

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This letter is to advise you that the Buckingham Park Water District is proposing a water rate adjustment for all users connected to the Buckingham Park Water District water system. **The projected rate adjustment will be considered by the Board of Directors at a Public Hearing on July 14<sup>th</sup> 2019 at 11:00 am at 2850 Eastlake Drive, Kelseyville, CA 95451.** You are receiving this notice in compliance with the California Proposition 218 requirement that all impacted property owners be mailed notice of proposed rate changes at least 45 days prior to a public hearing.

**BASIS OF PROJECTED RATE ADJUSTMENT**

Buckingham Park Water District is required by State law and Board policy to collect revenues sufficient to fund current and future costs of operating, maintaining and administering the existing water facilities as well as to fund the capital improvements and infrastructure replacement program. These revenues allow the Buckingham Park Water District to protect public health and safety and to reliably convey and treat water. By State law, Buckingham Park Water District may not collect more revenue than is necessary to recover the costs of providing services. The projected rates were developed through a comprehensive Water Rate Study designed to meet all legal requirements and fairly and equitably recover the required revenue. The Water Rate Study, which provides a detailed explanation of the projected inflationary impact on operating costs, was prepared by the non-profit group RCAC and is available for review by the public at the business office of Buckingham Park Water District located at 2870 Eastlake Drive, Kelseyville, CA 95451 or on the web at: [www.buckinghamparkwater.us](http://www.buckinghamparkwater.us)

**WHY BUCKINGHAM PARK WATER DISTRICT'S WATER RATE MUST BE  
ADJUSTED**

Customer rates are the primary source of revenue to operate the Buckingham Park Water District water system. These rates generate the revenue to operate the system and invest in necessary upgrades. To continue Buckingham Park Water District's long tradition of providing reliable water services to our customers, rate increases are necessary to cover increasing operational costs and save for future system replacements and improvements.

**WHAT STEPS DID BUCKINGHAM PARK WATER DISTRICT TAKE TO REDUCE COST BEFORE CONSIDERING INCREASING CUSTOMER RATES?**

Buckingham Park Water District conducted a comprehensive line by line review of the budgetary expenditures to maximize available resources and reduce operational costs to a minimum. Some of the cost cutting measures included reallocating qualifying repairs and maintenance expenses to be paid from the Capital Improvement Reserve Account, folding the recommended Emergency Reserve Fund into the Capital Improvement Reserve Account, reducing recommended annual long term replacement reserves and a comprehensive evaluation of general overhead expenses.

**RATE ADJUSTMENT HEARING PROCEDURE**

All property owners, water customers of Buckingham Park Water District and other interested persons are invited to attend the hearing and present written and/or oral comments. As an owner or water customer of record of a parcel subject to the proposed rate adjustments, you may submit a written comment, for or against, the projected rate changes. Only one written comment will be counted per identified parcel.

Written comments must include:

- Your signature and date
- Your name typed or printed under the signature
- The assessor's parcel number or street address of the property; and
- An affirmation that you are the owner or water customer of record of the property
- Only one comment will be allowed per parcel

Written comments will not be accepted by e-mail or fax. Verbal comments will not be counted. Comments must be received (not postmarked) prior to the close of the public hearing. Written comments may be submitted to:

**Delivered in Person**

2870 Eastlake Drive  
Kelseyville, CA 95451

**Submitted by Mail**

2880 Eastlake Drive  
Kelseyville, CA 95451

Buckingham Park Water District, after the close of the public hearing and provided that written comments from a majority of properties subject to the increased rates stating an objection have not been received, will adopt the rates. The rates will not exceed the increases set forth herein. The adoption may not take place at the July 14<sup>th</sup> 2019 meeting if time is needed to verify and count the written comments. If time is needed adoption of the rate adjustment may occur at the next subsequent board meeting.

## PROJECTED MONTHLY RATE SCHEDULE

The water rates will be increased as set forth on the following table beginning on August 1<sup>st</sup> 2019, and the base rate will increase by \$16.56 monthly. The adjustment under this schedule will be implemented no later than August 1<sup>st</sup> 2019. As per current ordinance we will continue to auto adjust the rates annually according to the CPI inflation index that is published yearly by the U.S. Bureau of Labor Statistics.

The new tier allotments and consumption rates are as followed.

Tier 1 - Up to 1145 CF at a rate of \$3.10 per 100 CF an increase of \$0.69 per 100 CF.

**Affecting on average 87% of our customer base**

Tier 2 - 1146 to 1560 at a rate of \$5.97 per 100 CF an increase of \$1.33 per 100 CF.

**Affecting on average 4% of our customer base**

Tier 3 – 1561 CF and over at a rate of \$8.23 per 100 CF an increase of \$1.84 per 100 CF.

**Affecting on average 9% of our customer base**

FYE	Monthly Base Fee	Monthly Reserve Payments	Total Monthly Flat Fees	Usage Fee Assuming 500 CFs Monthly	Usage Fee Assuming 1,000 CFs Monthly	Usage Fee Assuming 1,500 CFs Monthly	Usage Fee Assuming 2,000 CFs Monthly	Usage Fee Assuming 3,000 CFs Monthly	Total Monthly Bill	Increase in Monthly Bill
2019	\$ 71.75	\$ 17.00	\$ 88.75	\$ 15.50					\$ 104.25	\$ 20.01
2019	\$ 71.75	\$ 17.00	\$ 88.75		\$ 31.00				\$ 119.75	\$ 23.46
2019	\$ 71.75	\$ 17.00	\$ 88.75		\$ 31.00	\$ 25.71			\$ 145.45	\$ 25.96
2019	\$ 71.75	\$ 17.00	\$ 88.75		\$ 31.00	\$ 25.71	\$ 39.78		\$ 185.24	\$ 33.80
2019	\$ 71.75	\$ 17.00	\$ 88.75		\$ 31.00	\$ 25.71	\$ 39.78	\$ 82.27	\$ 267.51	\$ 52.17

In an effort to provide transparency, information will be available as noted at [Buckingham Park Water District's Business Office](#) located at 2870 Eastlake Drive Kelseyville, CA 95451 and on the web at: [www.buckinghamparkwater.us](http://www.buckinghamparkwater.us). Phone: (707) 279-8568