

WHY HAVE I RECEIVED THIS NOTICE?

Byron-Bethany Irrigation District is proposing changes to its water rates. BBID is dedicated to providing reliable, cost-effective water service at rates that do not exceed the cost of service.

As part of our commitment to transparency, BBID is sharing this update with all customers who receive water deliveries from the District and may be impacted by these changes. We're seeking feedback to help our Board of Directors make the right choice for the District and its ratepayers.

WHAT IS CHANGING ABOUT YOUR WATER SERVICE?

BBID charges a uniform rate per acre-foot for agricultural water delivery. This rate structure is compliant with the Water Conservation Act of 2009, SBX 7-7. The current rate has been in place for more than two decades.


However, due to a sudden and significant drop in property tax revenues and unforeseen increases in expenditures – driven by the cost associated with protecting your water rights, and the need to secure additional water supplies – the District hired an independent rate consultant to conduct a comprehensive cost of service study.

The result of that independent analysis suggests BBID must increase its uniform, per acre-foot rate to continue providing reliable water deliveries and maintain financial stability.

DID YOU KNOW?

As a public agency, the district cannot earn a profit from the services it provides, and must charge no more than the actual costs associated with providing services to its customers.

MAILING PANEL




**BYRON BETHANY
IRRIGATION DISTRICT**

COMMUNITY WORKSHOP

Questions about the proposed rate changes, and how they may impact you?

We want to hear from you.
We're holding a community workshop at BBID Headquarters.

Date-Time: May 10, 2016 – at 9:00 a.m.
Location: 7995 Bruns Rd., Byron, CA 94514



NOTICE OF PUBLIC HEARING
Concerning Proposed Increase in Water Rates

PUBLIC HEARING

DATE: May 17, 2016
TIME: 9:00 a.m.
LOCATION: 7995 Bruns Rd., Byron, California

NOTICE IS HEREBY GIVEN THAT the Byron-Bethany Irrigation District Board of Directors will hold a public hearing to consider a proposed schedule of water rate increases. If approved, the increases will take effect on **June 1, 2016**. The public hearing will be held on **May 17, 2016 at 9:00 a.m.** at BBID Headquarters, at **7995 Bruns Rd., Byron, California**. All members of the public are invited to attend.

This notice is being sent to all record owners of property upon which the proposed water service charges will be imposed. The proposed rate adjustments will be applicable to all parcels that receive water service from BBID.

Este documento contiene información importante sobre sus tarifas de agua y alcantarilla. Tradzcalo o hable con alguien que lo entienda.

WHY ARE RATE INCREASES NEEDED?

Two major issues are dramatically impacting BBID's financial outlook, forcing the District to consider rate increases to generate more revenue from agricultural water deliveries.

A Drop in Property Tax Revenue



While the District's expenditures have risen, its non-rate revenue will drop considerably after Contra Costa County's move to pursue detachment of portions of the town of Discovery Bay from the BBID service area. That area has generated about \$685,000 annually in property tax revenue for the District. It is expected the District will lose half the revenue in 2016, and the full amount by 2017.

A Legal Fight for Your Water Rights



The ongoing battle with the State Water Resources Control Board to protect the District's pre-1914 water right -- the very foundation for your water deliveries -- has substantial expenses. The litigation with the SWRCB is a critically necessary expense to ensure water reliability for our customers, now and in the future.

The Five-Year Rate Plan



Our independent rate analysis indicated the largest rate increase was necessary in year one, to cover water right expenditures and the cost of securing additional water supplies. Proposed rates drop from 2016 to 2017, with marginal increases phased in from 2017 through 2020.

COST OF SERVICE WATER RATES

Fiscal Year	Byron & Bethany Ag Per acre foot
Current	\$20
2016	\$102
2017	\$81
2018	\$82
2019	\$83
2020	\$85

HOW CAN I PARTICIPATE

We want you to join in the conversation and make your voice heard, as part of a collaborative process between the District and its water users to determine the best way forward.



Log On or Call – The rate study, proposed resolutions and video of the independent rate consultant's presentation are available on our website: www.bbid.org. In addition, you can call the District at **209.835.0375**, where you can ask questions.



Write – Owners of real property who will be affected by the proposed rate changes may leave a written protest against the proposed rate adjustments; however, only one written protest per parcel shall be counted in calculating the majority protest as explained below ("Public hearing process"). Written protests will be treated as public records once opened. Written protests may be mailed or delivered in person to **Byron-Bethany Irrigation District, 7995 Bruns Rd., Byron, CA 94514**, or at the public hearing. Protests must specify the rate or charge being protested and must include: your name, parcel number and/or service address, and your signature. Protests submitted by email or other electronic means do not count as formal written protests. All written protests must be received prior to the conclusion of the public input portion of the public hearing in order to be considered by the Byron-Bethany Irrigation District.



Attend – Members of the public are welcome to attend the public hearing regarding the proposed rate changes. The public hearing will take place on **May 17, 2016 at 9:00 a.m.** at **BBID Headquarters, 7995 Bruns Rd., Byron, California**. At the public hearing, all members of the public will have an opportunity to speak and give testimony regarding the proposed water rate adjustments; however, only written protests will count towards a majority protest.



Public hearing process – At the time of the public hearing, BBID's Board of Directors will hear and consider all written protests and public comments. If a majority of the property owners or customers of record of the impacted parcels submit written protests in opposition to the proposed rate increases, the increases will not be imposed. If a majority written protest is not received, the BBID Board of Directors may adopt the proposed changes, though they are not obligated to. If adopted, the proposed rates will become effective **June 1, 2016**.

HOW ARE MY RATES CALCULATED?

Byron-Bethany Irrigation District is committed to providing you reliable, cost-effective water deliveries.

To calculate the new rates, the independent rate consultant added operating expenses, debt service and pay-as-you-go capital to be financed by rates, and then subtracted non-rate revenue. The District's non-rate revenue typically more than covers its fixed costs like Capital Improvement Projects, debt service, and general and administrative costs. Non-rate revenue includes water transfers, property taxes and other miscellaneous revenues.

The remaining revenue is recovered with a volumetric charge on a per acre-foot basis.