

**CALIFORNIA ENVIRONMENTAL QUALITY ACT FILING -
NOTICE OF EXEMPTION ON THE ADOPTION OF WATER
RATES, FEES AND CHARGES**

**PROPOSITION 218
NOTICE OF PUBLIC HEARING
DISTRIBUTED TO ALL PROPERTY
OWNERS AND TENANTS**



**NOTICE OF PUBLIC HEARING
PROPOSED INCREASE OF WATER SERVICE RATES**

**Tuesday, April 13, 2021, at 6:00 p.m.
1720 North Cherokee Trail, Landers, CA 92285**

The BIGHORN-DESERT VIEW WATER AGENCY, in compliance with Article XIII D of the California Constitution and the Proposition 218 Omnibus Implementation Act, is hereby notifying all affected property owners and ratepayers of the following:

- The Bighorn-Desert View Water Agency (the “Agency”) is proposing to increase its water service rates. The proposed increases are needed to invest in and maintain modern and reliable water infrastructure and adequately fund the ongoing costs of providing water service to properties within its service area. Revenue from the water service rates pays for the operation and maintenance of, and capital improvements to, the Agency’s water system.
- This notice includes the proposed schedule of rates for April 2021 through 2025. If the proposed rates are adopted by the Agency Board of Directors, the proposed rates will become effective for services provided on and after April 14, 2021, and will be adjusted each January 1 thereafter beginning January 1, 2022, through and including, January 1, 2025.

A Public Hearing on the proposed water service rates will be held on **Tuesday, April 13, 2021, at 6:00 p.m.**, to consider the adoption of a 5-year schedule of water rates. The public hearing will be held at the Agency board room located at **1720 North Cherokee Trail, Landers, CA 92285**. The purpose of the public hearing is to consider all oral testimony and written protests to, and the adoption of, the proposed rates.

AGENCY BACKGROUND

The Bighorn-Desert View Water Agency is a consolidated independent special district, formed in 1990, operating pursuant to the provisions of the Bighorn-Desert View Water Agency Law, California Water Code Appendix, Sections 112-1 et. seq. The Agency is governed by a five-member Board of Directors, elected at-large from within the Agency’s service area. The General Manager administers the day-to-day operations of the Agency in accordance with policies and procedures established by the Board of Directors. The Agency provides water service to approximately 2,500 active residential customers and 121 bulk-hauling customers within its fifty-one (51) square-mile service area, located in the eastern desert of San Bernardino County. The Agency encompasses the unincorporated communities in the county known as Flamingo Heights, Landers and Johnson Valley.

REASONS FOR THE RATE ADJUSTMENTS AND INCREASES

The Agency is committed to providing the highest quality water at the lowest possible rates for our customers. To meet this commitment, over the last five years the Agency has worked to manage

operations and maintenance costs however outside influences from the state legislature, COVID-19, cost of goods and services as well as unexpected growth in the last several years led the Agency to seek an independent review of its long-term financial health and current application of water service rates. In April 2020, the Agency Board of Directors engaged the professional services of NBS to independently develop a sustainable financial plan incorporating all financial obligations including contribution to reserve funds for at least a 20-year period. NBS utilized the financial model to complete a water rate study and evaluate the infrastructure, programs, operations and maintenance costs of the Agency's water services and the rates necessary to recover the costs of those services for the next five years.

The NBS cost of service and rate study demonstrates what it costs the Agency to provide water service, and appropriately allocates the costs of providing water to our customers. The cost of providing water includes not only the water the Agency pumps and purchases, but the infrastructure that treats and delivers the water to ensure that there is safe and reliable water to meet the various demands of our water customers twenty-four hours a day, seven days a week.

Based on NBS's evaluation, it has been determined that rate adjustments and increases are necessary for the Agency's water service charges to enable the Agency to:

- Recover current and long-term projected costs of operating and maintaining the water system.
- Fund capital infrastructure improvements needed to repair and update the Agency's water system.
- Maintain the operational and financial stability of the water system.
- Comply with State mandated drinking and groundwater water regulatory requirements.
- Avoid operational deficits and depletion of reserves.

PROPOSED RATES AND HOW THE RATES ARE CALCULATED

The proposed rates are calculated to recover the cost of providing water services and to proportionately allocate those costs on a parcel basis among the Agency's customers. The proposed water rate structure will be modified to reflect up to six customer classes—Residential, Agriculture, Bulk Water, Commercial, Institutional and Fire. Prior to this the Agency only differentiated bulk and residential and did not differentiate any other customer uses by such classifications. The proposed rate structure has three components—a Service Charge, a Volume Charge, and a Fire Service Charge. The proposed rates are described in more detail below.

The proposed Service Charge is a fixed bi-monthly charge calculated to recover a portion of the Agency's fixed costs, such as meter reading, billing and collections, and the cost of operating and maintaining the water system infrastructure. The proposed Service Charges are established based on the size of the meter (in inches) serving a property to recover the incremental costs of facilities to sufficiently deliver water to properties. The Volume Charge is a variable charge imposed per unit of delivered water, with one unit equal to one hundred cubic feet (HCF), or 748 gallons, and is calculated to recover a portion of the Agency's fixed costs and its variable costs of providing water service. The Fire Service Charge is imposed on customers who have separate and distinct connections for fire sprinklers or on-site fire hydrants or other fire suppression devices. The Fire Service Charge recovers the Agency's fixed costs of operating and maintaining infrastructure for private fire service.

For Residential and Agriculture customer "classes", the current rate structure for the Volume Charge has a uniform charge per unit of water. Under the proposed rates for Residential and Agriculture customers, the Volume Charge will consist of two tiers. The tiers are designed to recover the incremental costs to the Agency of serving more water to those who place higher demands and greater burdens on the Agency's

water system and resources. These costs include, for example, sizing, operating, and maintaining water pipes, reservoirs, pump stations and additional water supply purchases to meet this additional demand. Due to the varying consumption needs among the Commercial/Institutional/Industrial and Bulk customer “classes”, and the relatively small number of these customers, the Volume Charge by class will remain a uniform rate per HCF of water delivered during a billing period.

The amount of the Service Charge and the Fire Service Charge imposed will differ by water meter size per two-month billing period. The amount of the Volume Charge imposed varies each two-month period depending on the number of units of water each customer uses. The current rates and the proposed maximum rates and effective dates for the Service Charges, Fire Service Charges, and Volume Charges are set forth in the tables below.

CURRENT & PROPOSED RATES FOR BI-MONTHLY FIXED SERVICE CHARGE (\$/METER SIZE)						
Meter Size	Current Rates	Proposed Rates and Effective Dates				
		4/14/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
3/4 inch	\$66.84	\$61.78	\$64.25	\$66.82	\$69.49	\$72.27
1 inch	\$66.84	\$61.78	\$64.25	\$66.82	\$69.49	\$72.27
1.5 inch	\$66.84	\$111.36	\$115.81	\$120.44	\$125.26	\$130.27
2 inch	\$66.84	\$170.86	\$177.69	\$184.80	\$192.19	\$199.88
3 inch	\$66.84	\$329.53	\$342.71	\$356.42	\$370.68	\$385.51
4 inch	N/A	\$508.03	\$528.35	\$549.48	\$571.46	\$594.32
6 inch	N/A	\$1,003.87	\$1,044.02	\$1,085.78	\$1,129.21	\$1,174.38

CURRENT AND PROPOSED RATES FOR BI-MONTHLY FIXED FIRE SERVICE CHARGE (\$/METER SIZE)						
Meter Size	Current Rates	Proposed Rates and Effective Dates				
		4/14/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
3/4 inch	\$16.00	\$30.62	\$31.84	\$33.11	\$34.43	\$35.81
1 inch	\$16.00	\$30.62	\$31.84	\$33.11	\$34.43	\$35.81
2 inch	\$16.00	\$71.14	\$73.99	\$76.95	\$80.03	\$83.23
3 inch	\$34.43	\$141.14	\$146.79	\$152.66	\$158.77	\$165.12
4 inch	\$57.38	\$270.09	\$280.89	\$292.13	\$303.82	\$315.97
6 inch	\$114.75	\$601.66	\$625.73	\$650.76	\$676.79	\$703.86
8 inch	\$183.60	\$1,043.76	\$1,085.51	\$1,128.93	\$1,174.09	\$1,221.05

CURRENT AND PROPOSED RATES FOR BI-MONTHLY COMMODITY CHARGE (\$/HCF)							
Customer Class		Current Rates	Proposed Rates and Effective Dates				
			4/14/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Residential							
Proposed Tier Break							
Tier 1	0-25 hcf	\$3.38	\$3.03	\$3.15	\$3.28	\$3.41	\$3.55
Tier 2	26+ hcf	\$3.38	\$4.61	\$4.80	\$4.99	\$5.19	\$5.40
Agriculture							
Tier 1	0-25 hcf	\$3.38	\$3.23	\$3.36	\$3.49	\$3.63	\$3.78
Tier 2	26+ hcf	\$3.38	\$4.82	\$5.01	\$5.21	\$5.42	\$5.64
Bulk Water		\$9.57	\$7.83	\$8.14	\$8.47	\$8.81	\$9.16

Commercial, Institutional, Fire & Other	\$3.38	\$3.58	\$3.72	\$3.87	\$4.02	\$4.18
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PUBLIC HEARING AND PROTESTS

Any record owner of a parcel upon which the water service charges are proposed to be imposed and any tenant directly liable for the payment of water service charges (i.e., a customer of record who is not a property owner) may submit a written protest to the proposed rate adjustments and increases to the Agency’s water service charges; however, only one protest will be counted per identified parcel. Any written protest must:

- (1) state that the identified property owner or tenant is opposed to the proposed water rate adjustments and increases;
- (2) provide the location of the identified parcel (by street address, assessor’s parcel number, or customer account number); and
- (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted to the Assistant to the Secretary of the Board by mail or in person at 622 S. Jemez Trail, Yucca Valley, CA 92284, or at the public hearing (date, time, and location noted above).

All written protests must be received prior to the close of the public comment portion of the public hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a valid written protest. Please indicate on the outside of any envelope mailed to the Agency, Attn: Rate Hearing.

The Board of Directors will accept and consider all written protests and will hear and consider all oral comments to the proposed rate adjustments and increases at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the public hearing, the Board of Directors will tabulate the written protests and consider the adoption of the proposed rate increases as described in this notice. If written protests against the proposed rates are not presented by a majority of the property owners or tenants of the identified parcels subject to the proposed rate increases, the Board of Directors will be authorized to adopt the proposed rate increases.