

RESOLUTION NO. 21R-08
RESOLUTION OF THE BOARD DIRECTORS OF THE
BIGHORN-DESERT VIEW WATER AGENCY
ADJUSTING THE BASIC SERVICE CHARGE AND WATER CONSUMPTION
CHARGES BY SPECIFIC CUSTOMER CLASS

WHEREAS, the Bighorn-Desert View Water Agency (“Agency”) is required by law to fix and establish rates, fees and charges which will enable the Agency to cover its debt service payments, operate and maintain its water system, provide for repairs and depreciation, and a reasonable surplus for improvements; and

WHEREAS, on July 26, 2016 the Board of Directors adopted Resolution No. 16R-09 Adjusting the Basic Service Charge and Water Consumption Charges across the existing customer classes, residential, bulk and fire service for a four-year period (4 years); and

WHEREAS, on the Board of Directors authorized a Professional Services Agreement with NBS Government Financial Group to conduct a focused rate and fee study for the Agency which included a long-range financial plan, development of monthly service charges and water consumption charges and calculation of a new capacity fee (e.g. Basic Facilities Charge or buy-in charge); and

WHEREAS, on October 22, 2020 the Finance/ Public Relations/ Education/ Personnel Standing Committee held Pubic Workshop No. 1 where NBS Government Finance Group presented the foundation of the rate and fee study and presented three (3) Rate Alternative tables “A – D” each weighted for base rate versus volume rates (e.g. consumption tiers) and also by unique customer classes including residential, commercial/institutional, agriculture, bulk and fire service and solicited public input; and

WHEREAS, on November 10, 2020 the full Board of Directors participated in Public Workshop No. 2 were a total of four (4) weighted Rate Alternatives for fixed and variable charges were presented and public input sought; and

WHEREAS, on November 19, 2020 the Finance/ Public Relations/ Education/ Personnel Standing Committee held Pubic Workshop No. 3 where NBS Government Finance Group reviewed the elements of the drat technical report on the Water Rate Study including the four (4) proposed Rate Alternative tables and solicited public input; and

WHEREAS, on January 12, 2021 the Board of Directors held Pubic Workshop No. 4 adopted Motion No. 21-006 to select Rate Alternative “D” (i.e. 60% fixed/40% variable weighting) Plan per the Rate and Fee Draft report prepared and presented by NBS Government Finance Group, and

WHEREAS, on February 9, 2021 after considering all director input and public comments, the Board of Directors adopted Motion No. 21-013 authorizing filing of Categorical Exemption for a Public Hearing on April 13, 2021 at 6:00 pm during which the

Board of Directors would consider adopting Water Rates, Fees and Charges (aka the Rate Alternative "D" with a 60% fixed/40% variable weighting and the final Water Rate Study Report February 2021 along with the Proposition 218 Public Hearing Notice to be distributed in accordance with Article XIII C and D of the California Constitution was received and filed; and

WHEREAS, the Board has determined that it is in the best interest of the Agency, its customers and the public generally, for the Agency to continue to fix the Basic Service Charge and Consumption Charges to more adequately cover its fixed costs of operating and maintaining its water system, providing for repairs and depreciation, and providing a reasonable surplus for capital improvements, including matching funds for federal and state grant funding; and

WHEREAS, on February 10, 2021 the Agency distributed the rate increase notice to a total of 2,599 property owners and their tenants with authorized water accounts in accordance with the procedures outlined in CA Proposition 218 at least 45-days prior to the Public Hearing on this matter conducted on April 13, 2021.

NOW, THEREFORE, BE IT RESOLVED with the June 2021 billing date the Basic Service Charge (i.e. Fixed Service Charge) and Consumption Charge (i.e. Commodity Charge) by specific customer class and by the current specific billing cycle (bi-monthly or monthly) and billing route and as otherwise classified and/or defined by current Agency Rules and Regulations for Water Service, shall be increased by no more than specified in the Rate Alternatives indicated over a 5-year period as follows:

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

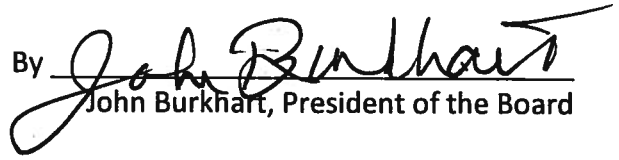
CURRENT AND PROPOSED RATES FOR BI-MONTHLY FIXED FIRE SERVICE CHARGE (\$/METER SIZE)						
Meter Size	Current Rates	Proposed Rates and Effective Dates				
		4/14/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
3/4 inch	\$16.00	\$30.62	\$31.84	\$33.11	\$34.43	\$35.81
1 inch	\$16.00	\$30.62	\$31.84	\$33.11	\$34.43	\$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

BE IT FURTHER RESOLVED Resolution 16R-09 is hereby rescinded and the **Basic Service Charge** on all Agency residential customers ¾-inch, 1-inch meters, 2-inch bulk meters and all temporary construction meters as well as the **Consumption Rates** for residential customers and all Agency 1-inch and 2-inch bulk hauling meters and temporary construction meters shall remain in effect until further action of the Agency's Board, provided, however, that the Board shall review said Basic Service Charge and Consumption Rates during the budget process each fiscal year and the amount of the Basic Service Charge and Consumption Rates shall be adjusted by no more than the amounts set forth in this Resolution; and

BE IT FURTHER RESOLVED that the General Manager and staff are hereby authorized and directed to take all actions reasonably necessary to carry out the purpose and intent of this Resolution and to implement these rates, fees and charges in accordance with the time period specified herein.

PASSED, APPROVED, AND ADOPTED by the Board of Directors to Bighorn-Desert View Water Agency this 13th day of April 2021.

By 
John Burkhart, President of the Board

ATTEST,
By 
JoMarie McKenzie, Board Secretary

Official Seal

