

BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT

BCPUD BOX 390 270 ELM ROAD BOLINAS CALIFORNIA 94924 415 868 1224



April 28, 2011

Notice To All Owners of Property Served By a BCPUD Water and/or Sewer Connection

Article XIII D, Section 6, of the California State Constitution requires that the Bolinas Community Public Utility District (“BCPUD”) notify you of any proposed increases in BCPUD fees/charges for the parcel # shown on the address label used for this mailing (or for the new parcel number if your property has been consolidated or merged within the past 10 months).

Enclosed with this notice is a copy of the *proposed* BCPUD budget for the 2011-12 fiscal year, which begins on July 1, 2011. **If the budget is adopted by the BCPUD Board of Directors at its July 20, 2011 regular meeting with no further changes, increases in the annual charge for water and sewer service will be necessary.** The BCPUD is *not* proposing any increase to the tiered water rate charges or to the annual charge for septic/drainage service. In these challenging economic times, the BCPUD has attempted to keep rate increases as low as practicable to minimize the financial impact to our customers.

The proposed *annual* increase in the service charge for water is \$136 for a standard 3/4" meter, or 1" meter, and \$197 for meters over 1" in diameter. As a result, the annual service charge for a standard water meter will increase from \$815 per year to \$951 per year and the annual service charge for a meter over 1" in diameter will increase from \$1222 per year to \$1419 per year.

The proposed *annual* increase in the service charge for a sewer connection is \$102. As a result, the annual service charge for a residential sewer connection will increase from \$850 per year to \$952 per year and the annual service charge for a commercial sewer connection will increase from \$896-1256 per year to \$998-1358 per year.

Please note that the amount of these increases is subject to change during the budget process.

BCPUD historically has avoided service charge increases to the extent possible; in fact, these are the first increases to the annual service charges in two years and BCPUD has *lowered* charges when possible. For example, during the 2005-06 fiscal year, water service charges were *lowered* by \$103--we were able to do this because of an unexpected windfall return of funds from the State. Regrettably, the BCPUD will not receive a similar windfall during the 2011-12 fiscal year; however, the district was able to reduce the amount of the increases necessary for the water and the sewer service charges by paying off some of the district's outstanding debt during fiscal year 2010-11. Specifically, in April 2010 the district used a portion of its reserves to pay off one outstanding loan for improvements to the water system and two outstanding loans for improvements to the sewer system. Notwithstanding this reduction in debt servicing costs, it remains necessary to raise the service charges for water and sewer service to meet the district's current budget needs and fund improvements, as described in the following paragraphs.

Reasons for the proposed increase in the annual water service charge: water treatment and distribution system improvements planned and designed for implementation during the 2011-12 fiscal year, the rising costs in all areas of BCPUD operations, from employee services costs to equipment and supplies needed to operate and maintain the water treatment and distribution systems, and improvements to the BCPUD office building to render it accessible to persons with disabilities. Improvements planned for the water treatment plant and distribution system during the 2011-12 fiscal year include engineering and design work for a treatment system to reduce the contaminant levels of chlorine disinfection

byproducts (TTHMs and HAA5s) in our treated water, the on-going costs of our aeration pilot plant, and continuing fire hydrant and pipeline replacement projects.

Reasons for the proposed increase in the annual sewer service charge: sewer system collection improvements planned and designed for implementation during the 2011-12 fiscal year, the rising costs in all areas of BCPUD operations, from employee services costs to equipment and supplies needed to operate and maintain the sewer system, and improvements to the BCPUD office building to render it accessible to persons with disabilities. Sewer system improvements planned for the 2011-12 fiscal year include the rehabilitation of the wetwell at the downtown lift station and the upgrade/replacement of the electrical control panels at the sewer pond property.

It is necessary to raise our water and sewer charges to pay for these increased operating costs and system improvement expenses because we do not anticipate receiving any increased funds from either property tax revenues or metered water sales during the 2011-12 fiscal year.

BCPUD Account number **109** and numbers **131 through 296** will be subject to increased charges approved for both **water and sewer** service. Account numbers **101 through 130 (except 109)** and **297 through 685** will be subject to increased charges approved for **water** service only. Check the first 3 digits of your account number on any recent water bill to determine which potential increases may affect your property.

There will be a public hearing on the proposed increases at the June 15, 2011 regular meeting of the BCPUD Board of Directors. The meeting will begin promptly at 7:30 p.m., at the District office, 270 Elm Road, Bolinas. The public hearing on the proposed budget will be the third item of business, following the Manager's Report, and Community Expression. **Approval of the 2011-12 budget is tentatively scheduled for the July 20, 2011 regular meeting of the BCPUD Board of Directors,** following further public discussion at that meeting.

A copy of the draft budget is enclosed with this notice. It is also on the District's internet site at <http://www.bcpud.org>.

Article XIII D, Section 6, Subparagraph (2) of the California Constitution states: "If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge." If you elect to protest the BCPUD's proposed increased charges, your written protest must be received by the BCPUD at the address at the top of this notice prior to the close of the June 15th hearing. You must submit your protest in writing, including a description of your assessor parcel and/or BCPUD account number, even if you plan to attend the June 15th hearing.