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DRAFT
Notice of Proposed Rate Increase and Public Hearing Date
June 21, 2016 at 6 p.m.
Donner Summit Public Utility District
53823 Sherritt Lane, Soda Springs, CA

Notice of Proposed Water Rate Increase

Notice is given that the Donner Summit Public Utility District Board of Directors has approved a water rate increase to take affect July 2016. **A public hearing will be conducted on June 21, 2016 at 6 p.m. at the DSPUD boardroom to consider adopting the proposed rate increase.**

Current Water Quality

As you know, when you turn on your faucet, the water that comes from the tap is not always crystal clear. While it is perfectly SAFE to drink, aesthetically, it may at times appear discolored and murky.

This is caused by an increase in turbidity levels. Over the last several years, water tested at the water treatment plant has not consistently met turbidity level requirements. The current plant is not designed to filter such high levels of turbidity caused by algae in DSPUD's raw water source, Lake Angela. While a change in turbidity level does not affect water safety, it does change the appearance of the water.

Why a Rate Increase?

The proposed water rate increase is necessary for several reasons, including a much needed upgrade to the existing water treatment plant. DSPUD has been working diligently with state engineers to identify solutions to the turbidity problem. The current gravity fed system cannot adequately filter out the algae that exists in Lake Angela. An upgrade to the water treatment plant is necessary.

The upgraded plant will include two clarification/filtration treatment basins and improvements to the existing clearwell, which will improve chlorine contact time. The chemical feed facilities will be replaced as needed and other modifications will be made as necessary.

The current plant provides service to over 275 customers and is built to process about 0.50 MGD per day. The upgraded plant will increase capacity to 1.0 MGD and provide redundancy for a more reliable treatment process.

Project Cost, Funding and Timing

The estimated project cost is \$2.5 million. DSPUD has secured funding through the State of California. Given that the District serves a Small Disadvantaged Community, DSPUD qualified for a state grant, which will fund 80% of the construction cost. The remaining 20% is financed through a secured state loan. A proposed water rate increase of 12.5% is necessary to finance the loan debt.

DSPUD will begin the contractor selection process this spring and anticipates construction to start June 2016 (site conditions allowing) and conclude in December of 2016.

About the Proposed Rate Increases

The proposed 12.5% increase, if approved, will go into effect July 1, 2016. For most ratepayers, this means an increase of about \$7.04 per month. An additional rate increase of 12.5% will go into effect July 1, 2017.

Revenue from the rate increases will go to reducing loan debt. Please review the table to see how the proposed rate increases will affect your water rates.

Donner Summit PUD Proposed Rates

Meter Size	Gallons Allowed per Month	Current 2016	Rate Schedule Fiscal Year Ending				
			2017	2018	2019	2020	2021
[1]							
Existing Customers			Base Rate per Month				
3/4"	10,000	\$56.27	\$63.30	\$71.22	\$71.80	\$72.39	\$72.98
1"	18,500	\$104.10	\$117.11	\$131.75	\$132.84	\$133.43	\$135.01
1.5"	25,000	\$140.67	\$158.25	\$178.04	\$179.50	\$180.09	\$182.44
2"	40,000	\$225.08	\$253.22	\$284.87	\$287.21	\$287.80	\$291.91
3"	65,000	\$365.75	\$411.47	\$462.90	\$466.72	\$467.31	\$474.35
4"	175,000	\$984.72	\$1,107.81	\$1,246.29	\$1,256.56	\$1,257.15	\$1,277.11
6"	262,000	\$1,474.26	\$1,658.54	\$1,865.86	\$1,881.24	\$1,881.83	\$1,912.01
8"	350,000	\$1,969.43	\$2,215.61	\$2,492.56	\$2,513.11	\$2,513.70	\$2,554.21
Volume Charges							
Overage Charge per Gallon		\$0.005627	\$0.006330	\$0.007122	\$0.007180	\$0.594941	\$0.007298

Source: HEC.

[1] Rate increase is scheduled to be effective July 1, 2016.

About the Proposition 218 Process

Per Proposition 218 requirements, ratepayers have a right to protest the proposed rate increase.

Option 1

If you do not oppose the rate increase, you need not take any action.

Option 2

If you do oppose the proposed rate increase, your protest must be submitted in writing even if you attend the public hearing. **All written protests must be received in writing via mail before Tuesday, June 21 at 6 p.m. Emails, phone calls and other forms of protest will not be accepted.**

Written protests must include:

- Your full name
- Your service street address or assessor's parcel number
- A statement of protest
- Signature of the property owner

Mail written protests to: Donner Summit Public Utility District, P.O. Box 610, Soda Springs, CA 95728. You may also deliver protests to DSPUD's office located at 53823 Sherritt Lane in Soda Springs.

Visit DSPUD.com

For more information about the water treatment plant and process or the proposed rate increases, go to DSPUD.com.