



NOTICE OF RATE INCREASE

April 25, 2019

To our valued customers:

BACKGROUND: The Sewerage Commission – Oroville Region (SC-OR) operates and maintains the Oroville area wastewater treatment plant under the authority of a Joint Powers Agreement between the City of Oroville (City), Lake Oroville Area Public Utility District (LOAPUD) and the Thermalito Water and Sewer District (TWSD). LOAPUD bills wastewater customers for the sewer collection and treatment services provided by LOAPUD and SC-OR through quarterly sewer service billings.

SC-OR has been experiencing increasing wastewater treatment costs due to regulatory changes that have created new requirements that are more restrictive for wastewater discharges to freshwater. Currently the SC-OR wastewater treatment plant is not capable of meeting the more stringent effluent limits, requiring improvements to the plant. Compliance with the new standards is mandatory, with significant penalties for noncompliance.

LOAPUD strives to provide a high quality of service to its customers. In order to do so it is essential to continue to perform maintenance and replacement of existing, aging facilities in addition to installation of new facilities. It must do this while balancing stagnant growth with increasing fuel, construction, material, administrative, and overhead expenses. While LOAPUD has been proactive in controlling costs, an increase in revenue is required to keep pace with rising expenditures.

PUBLIC HEARING: Notice is hereby given that LOAPUD will hold a public hearing at 2 PM on June 11th, 2019 at 1960 Elgin St., Oroville, CA to consider proposed increases to wastewater treatment and collection related charges for fiscal years: 2019/20, 2020/21, 2021/22, 2022/23, and 2023/24.

REASON FOR INCREASE: The proposed increase is necessary to fund operations and capital improvements for the SC-OR wastewater treatment plant and to fund increased operations and maintenance costs and necessary capital improvements to the LOAPUD wastewater collection systems.

CURRENT AND PROPOSED CHARGES: The current and proposed monthly charges for wastewater services per Equivalent Dwelling Unit (EDU) are shown below.

FISCAL YEAR	MONTHLY CHARGE PER EDU				
	TREATMENT	PRIMARY SYSTEM			STEP SYSTEM
	SC-OR	SERVICE CHARGE*	PUMPING CHARGE	KRE PUMPING CHARGE	VILLA VERONA*
2018/2019 (CURRENT)	\$11.85	\$21.45	\$4.35	\$1.87	\$26.30
2019/2020	\$13.85	\$24.21	\$5.85	\$3.37	\$29.06
2020/2021	\$15.85	\$25.21	\$5.85	\$3.37	\$30.06
2021/2022	\$17.85	\$26.21	\$5.85	\$3.37	\$31.06
2022/2023	\$19.85	\$27.21	\$5.85	\$3.37	\$32.06
2023/2024	\$23.85	\$28.21	\$5.85	\$3.37	\$33.06

*Includes \$4.90/EDU/Month USDA RD Debt Service Charge

BASIS FOR THE CHARGES: The charges are based on estimated revenues necessary to fund operating expenses and the projected capital costs, engineering, environmental, administrative and legal costs necessary for improvements to the wastewater plant and collection systems to meet proposed permit requirements issued by the Central Valley Regional Water Quality Control Board or other regulatory agencies.

The reasons for the proposed increases in SC-OR related charges are more fully set forth in a Monthly EDU Charge Analysis dated March 22, 2019, prepared by Provost & Pritchard Consulting Group. Copies of the Analysis are available at the LOAPUD office located at 1960 Elgin St., Oroville, CA 95966.

The reasons for the proposed increases in LOAPUD related charges are more fully set forth in a Wastewater System Cost of Service Final Rate Study Report dated April 10, 2019, prepared by Sauers Engineering, Inc. Copies of the Report are available at the LOAPUD office located at 1960 Elgin St., Oroville, CA 95966.

PROPOSITION 218 - WRITTEN PROTEST: Proposition 218 permits one written protest per parcel to be considered by LOAPUD at the public hearing. This notice of the public hearing has been sent to the address to which LOAPUD customarily mails the billing statements for wastewater related charges. It has also been sent to the record owners of parcels served by LOAPUD, as shown on the last equalized secured Butte County property tax assessment roll, if different than the billing or service address. To be valid, written protests must be received prior to the close of the public hearing at 2 PM on June 11th, 2019 at 1960 Elgin St., Oroville, CA.

A valid protest must include:

1. The name of the record owner; and
2. Identification of the property by either assessor's parcel number or street address; and
3. A statement of protest (" I/we protest" will suffice); and
4. The original signature of the protesting owner or customer.

The protest may be submitted by mail or in person to:

**Lake Oroville Area Public Utility District
1960 Elgin St.
Oroville, CA 95966**

QUESTIONS & MORE INFORMATION. If you have questions or want more information, please call the Lake Oroville Area Public Utility District at (530) 533-2000.