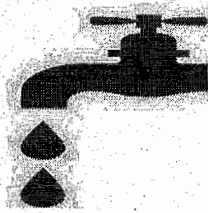


WEST ALMANOR MUTUAL WATER COMPANY

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Emergency Numbers: Chris Durkin, Manager 530-258-7790 Fire Department 911 or 530-259-5112

November 2019

Dear West Almanor Mutual Water Company Members:

Please find the adopted **2020 Annual Operating Budget** on the back of this letter.

The Board has been busy evaluating various means to achieve a cost structure that both balances the budget and is fair and equitable to all members of the water company. We have therefore moved away from including a monthly water allotment (3,000 gallons in 2019) in the annual water charge and will only charge members for their actual usage. This change further aligns user charges with the actual cost of delivering water to our members.

This coming year we will be reviewing how other mutual water companies, with similar demographics, determine rates to their customers. This process will include discussions with other mutual water companies, mutual water company associations and independent professionals to ensure that we continue to provide exceptional and reliable water service at a fair and equitable cost to all our members.

Cost increases projected for 2020 include; repairs increased by \$5,000 due to more tree removal and fire mitigation, electricity (pumping cost) increased by \$11,000 due to predicted utility rate increases, administrative (overhead expenses) increased by \$3,425 due to more commodity charge (surcharge) bills having to be sent. The contribution to the capital improvement fund was increased by \$5,000 back up to the original voted total of \$20,000 per year. The Replacement Reserve fund contribution will increase from \$80,000 to \$96,000. The annual contribution had been at \$80,000 for many years, but with many more items being added throughout the years and the aging of the system it has been increased to \$96,000. Similar increases for the reserves are recommended and can be expected for several years.

The Annual Fees (Assessment) Invoice will be mailed the second week in January 2020. The fees are payable upon receipt and become delinquent on February 15, 2020. Delinquent annual fees and surcharge billings do incur late fees, rebilling charges and interest so your prompt payment is much appreciated.

- 2020 Annual Base Rate (standby charge) for an **UNIMPROVED LOT** has increased from **\$178.00 to \$212.00**.
- 2020 Annual Base rate for an **IMPROVED LOT** has increased from **\$286.00 to \$322.00**

All water usage (commodity charge) will be billed at the rate of \$1.97 per 1,000 gallons based on meter readings done on May 1st, August 1st and November 1st. There will no longer be an unbilled allotment or allowance to reduce or offset these charges. **Improved lots which had previously used less than the monthly allotment will now receive a billing reflecting their actual water usage for the billing period.**

Preparing for winter: The homeowner should be able to shut off the water at the house and the outside water any time the house is left for a period of time. But for complete protection especially winterizing; it is recommended that a plumber install a shut off valve as near to the water meter as possible, thereby protecting against breaks in the pipe between the meter and the house valve. Such leaks are often impossible to detect unless water is heard running by a passerby or water is seen flowing to the street. Such leaks can run into thousands of gallons wasted and the owner being responsible for the expense.

Comments or questions may be directed to President Bornhorst at 530-259-5638 or the Water Company office.

Happy Holidays from your Board of Directors