



Butte Water District
735 Virginia Street
Gridley, CA 95948
(530) 846-3100

Name
Address
City, State ZIP

**NOTICE OF PUBLIC HEARING REGARDING
PROPOSED ADJUSTMENTS TO WATER RATES UNDER PROPOSITION 218
March 31, 2025 at 11 a.m.
at 735 Virginia Street, Gridley, CA 95948**

The Butte Water District (BWD or District) is a water district made up of about 31,000 acres in Butte and Sutter Counties. The District has rights to over 130,000 acre feet of water from the Feather River which the District provides to landowners and customers via a series of canals for multiple beneficial uses, including irrigation, environmental enhancement, and groundwater recharge. As a local public agency with water supply and water management authority, the District also serves as your Groundwater Sustainability Agency (GSA) and provides groundwater management services ensuring local control of your groundwater resources under the Sustainable Groundwater Management Act (SGMA) passed in 2014. You are receiving this notice in compliance with the California Proposition 218 requirements that all impacted property owners and ratepayers be mailed a notice of proposed rate changes at least 45 days prior to a public hearing. The Board of Directors will hold a public hearing on March 31, 2025 to consider and potentially approve the rate changes for the next five years.

Need for a Rate Increase

Currently, Butte Water District relies on water rate revenues, standby fees, and surplus water transfers to outside entities (when available) to fund its operating costs and capital improvement expenses. The District last increased its water rate in 2006. While the District serves as your GSA under SGMA, it has never charged a fee for these services.

In light of the passage of time since the last rate change, the increase in cost to provide District services, including serving as your GSA to ensure local control of groundwater resources, the District is proposing new and increased fees to better align with its fixed costs and to no longer rely on unpredictable surplus water transfer revenues. Current water rates and standby fee revenues generate about \$800,000 annually which is half the of the District's operating costs of about \$1.6 million. It is proposed that fee increases be phased in over the next five years to

more closely match the annual cost of service. This will provide long-term financial stability as the District can ensure that annual revenues will cover annual operating costs. Surplus water transfer revenues, if available, will be used to fund improvements to canals, weirs, and other infrastructure for the benefit of all landowners and ratepayers within the District.

As part of this rate change, the District is proposing a new groundwater management to recover 25% of its annual operating costs. The District formed as a GSA under SGMA to maintain local control over groundwater resources and ensure continued sustainable groundwater conditions within the District. The District incurs direct expenses associated with serving as your GSA, including groundwater monitoring and reporting for SGMA compliance. In addition, other District expenses, including its ongoing operation, are incurred to ensure the District remains eligible and capable of serving as your GSA. The District’s ongoing operation and delivery of surface water to water users enhances groundwater sustainability by offsetting groundwater pumping and contributing to groundwater recharge via percolation from the distribution and use of water.

Proposed Rates

Table 1 identifies the current water rates and proposed changes. These fees would be charged on water users that apply for water service annually from the District. If you do not apply for water service, you would not be subject to these proposed fees.

Table 1: Current & Proposed Water Delivery Charges (\$/acre)

Category	Current Rate	Proposed Rates (effective April 1 each year)				
		2025	2026	2027	2028	2029
<i>Increase</i>		<i>varies</i>	<i>17.50%</i>	<i>17.50%</i>	<i>17.50%</i>	<i>17.50%</i>
Orchard/Row Crops						
Gravity	\$25.00	\$25.00	\$29.00	\$34.00	\$40.00	\$47.00
Pump/Sprinkler	\$12.50	\$25.00	\$29.00	\$34.00	\$40.00	\$47.00
Alfalfa						
Gravity	\$27.00	\$27.00	\$32.00	\$38.00	\$45.00	\$53.00
Pump	\$13.50	\$27.00	\$32.00	\$38.00	\$45.00	\$53.00
Pasture						
Gravity	\$30.00	\$30.00	\$35.00	\$41.00	\$48.00	\$56.00
Pump	\$15.00	\$30.00	\$35.00	\$41.00	\$48.00	\$56.00
Rice						
Gravity	\$36.00	\$36.00	\$42.00	\$49.00	\$58.00	\$68.00
Pump	\$18.00	\$36.00	\$42.00	\$49.00	\$58.00	\$68.00
Rice Decomp						
Gravity	\$12.00	\$12.00	\$14.00	\$16.00	\$19.00	\$22.00
Pump	\$6.00	\$12.00	\$14.00	\$16.00	\$19.00	\$22.00
Minimum Charge						
3 acres or less	\$80.00	\$80.00	\$94.00	\$110.00	\$129.00	\$152.00

Table 2 provides the newly proposed groundwater management fees. The fees are proposed to be charged on a \$/acre basis on all parcels within the District because all parcels receive groundwater management services. **The fees are proposed to be billed annually on the property tax roll to all parcels that directly or indirectly receive groundwater. This includes parcels that may not have their own well but receive groundwater from another parcel.** Data available to the District indicates that all, or substantially all, parcels within the District directly or indirectly receive groundwater. However, unimproved parcels or parcels that receive no benefit from groundwater would be exempt from the proposed groundwater management fee. Exempt parcels can seek a fee waiver annually with the District to confirm their status.

Table 2: NEW Groundwater Management Fee (\$/acre/year)

Category	Current Rate	Proposed Rates (effective April 1 each year)				
		2025	2026	2027	2028	2029
		New fee	17.50%	17.50%	17.50%	17.50%
All acres*	None	\$12.78	\$15.01	\$17.64	\$20.73	\$24.36

*The proposed groundwater management fee applies to all parcels that directly or indirectly receive groundwater.

For more information about the proposed rates please visit the District’s website at <https://buttewaterdistrict.org/> to view a copy of the District’s Water Rate Study Report or call (530) 846-3100.

How to Participate

These proposed increases in water rates and new groundwater management fee are governed section 6 of Article XIII D of the California Constitution, Government Code sections 53751 et seq. and 53759 et seq., and other applicable laws that together are commonly referred to as Proposition 218. There are multiple ways that landowners and ratepayers (tenants) subject to the proposed rates as well as any other interested member of the public may participate in the Proposition 218 process. First, if you wish to learn more about the proposed rate change, then information on Butte Water District’s rates and fees, the written basis, including the 2024 Cost of Service Study, is available at <https://buttewaterdistrict.org/>.

Second, Butte Water District will hold a public hearing on March 31, 2025, to receive public feedback, including written protests, on the proposed rates.

Third, Proposition 218 is subject to a “majority protest” process where any landowner or ratepayer may submit one written protest per parcel of the proposed increase. Immediately following the close of the public hearing on March 31, 2025, protests will be counted and if a majority of the parcels subject to the proposed rate increases have submitted valid protests, then the rates will not be implemented. Additional details on submitting a protest are set forth below.

Fourth, parties that wish to preserve the ability to legally challenge the rate change must submit a timely written objection by 5:00 p.m. on March 10, 2025. This is known as Proposition 218's exhaustion of administrative remedies requirement and is a separate legal requirement from the written protest. Prior to the public hearing on March 31, 2025, the Board of Directors of Butte Water District will review written objections and determine whether (1) amendments or clarifications are necessary, (2) to reduce the proposed new fees; (3) to review further prior to making a determination; or (4) to proceed with the public hearing. Additional details on submitting a written objection are set forth below.

How to Submit a Written Objection to Proposed Rates

Pursuant to Government Code section 53759.1, any person or entity that may wish to challenge any new, increased, or extended fee adopted, modified, or amended by Butte Water District pursuant to this Notice must first exhaust its administrative remedies. To exhaust administrative remedies, you must do the following:

- Obtain written objection form and complete all portions of the form. Oral objections will not be considered. Written objection forms are available at <https://buttewaterdistrict.org/> and will be mailed to any interested party upon request by contacting the Butte Water District office at (530) 846-3100; and
- Timely submit, either by mail or via hand delivery, the completed written objection by 5:00 p.m. on March 10, 2025 to the Butte Water District office at 735 Virginia Street, Gridley, CA. Mailed objection forms must be received (not postmarked) by 5:00 p.m. on March 10, 2025. Failure to timely object in writing bars any right to challenge the fee through a legal proceeding.

Late-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement. All substantive and procedural requirements for submitting a written objection are set forth in this Notice and the written objection form.

Pursuant to Government Code section 53759.1, subdivision (c)(2) Butte Water District has posted at <https://buttewaterdistrict.org/> the written basis for the fee, including a copy of the District's 2024 Water Rate Study Report. Additionally, the written basis will be mailed to any person upon request by contacting the Butte Water District office at (530) 846-3100.

How do I file a protest or participate in the public hearing?

The provisions of Proposition 218 provide that certain types of "Property Related Fees" such as these proposed rates are subject to a "majority protest" process. Under the majority protest process, any property owner or ratepayer may submit a written protest of the proposed increases; provided, however, that only one protest will be counted per identified parcel. If protests are filed on behalf of a majority of the parcels subject to the rates, the District cannot adopt the proposed rates. A sample protest form is provided at <https://buttewaterdistrict.org/>

and is available upon request by contacting the Butte Water District office at (530) 846-3100, but property owners/ratepayers are not required to use the sample protest form.

Every written protest MUST include ALL of the following to be counted:

1. A statement against the proposed water rates;
2. Name of the recorded owner or ratepayer who is submitting the protest;
3. Identification of the assessor's parcel number or street address (service address) of the parcel with respect to which the protest is made; and
4. An original signature and legibly printed name of the record owner or ratepayer who is submitting the protest.

Written protests may be submitted by:

1. Mail to: Prop 218 Protest, 735 Virginia Street, Gridley, CA 95948; or
2. In-person delivery during normal business hours to 735 Virginia Street, Gridley, CA 95948; or
3. In-person at the Public Hearing, prior to the conclusion of the Public Hearing.

Regardless of how the written protest is submitted, it must be received by the District prior to the conclusion of the public hearing portion of the Board Meeting to be held on March 31, 2025 beginning at 11 a.m. at 735 Virginia Street, Gridley, CA 95948. (Postmark dates will not be accepted.) Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the District, that the enclosed protest is for the Public Hearing on Water Rate Adjustments. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest.

At the conclusion of the public hearing, protests will be publicly counted and validated. If protests are filed on behalf of a majority of the parcels subject to the proposed rates before the end of the Public Hearing, the District cannot adopt the proposed rates. If a majority of the parcels do not protest the proposed increase, the District has the authority to adopt the proposed rates. The first rate change, if approved, will go into effect on or after April 1, 2025.

Please carefully review the following additional legal notice:

Pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee adopted, modified, or amended by Butte Water District.