



Proposed Drinking Water, Sewer, and Recycled Water Rate Increase

- Notice of Public Hearing and Protest Procedure -

NOTICE IS HEREBY GIVEN that on **Tuesday, January 21, 2020 at 6:00 pm**, a public meeting will be conducted by the Yucaipa Valley Water District at 12770 Second Street, Yucaipa, California 92399 to consider the proposed drinking water, sewer, and recycled water rate increases for all parcels of property that are provided drinking water, sewer, and/or recycled water service by the Yucaipa Valley Water District.

This will be a public hearing before the Board of Directors of the Yucaipa Valley Water District to allow public testimony and discussion of the proposed drinking water, sewer, and recycled water rate adjustments described within this notice. The Board of Directors will take written and oral comments that evening. They will also consider all written protests against the proposed charges, determine if a majority protest exists, and consider a resolution to adopt the drinking water, sewer, and recycled water rate charges.

How to File a Written Protest

Written protests must be filed with the Yucaipa Valley Water District. Written protests may be hand delivered or mailed to the Chief Financial Officer at 12770 Second Street, Yucaipa, California 92399. To be valid, written protests must state opposition to the proposed drinking water, sewer, and recycled water rate increase, identify the parcel(s) (by assessor's parcel number(s), street address(es), or account number(s)), and include the printed name and original signature of the customer or property owner. Written protests may be submitted up to the conclusion of the public testimony at the public hearing on January 21, 2020.

Please take Notice

The Board of Directors of the Yucaipa Valley Water District ("District") invites the public to attend a public hearing to consider adjustments to the rate structure of the District's drinking water, sewer and recycled water service charges. The proposed rate adjustments include a five-year schedule of increases that will first go into effect for services provided on or after February 1, 2020.

How Can I Participate?

Call, Visit or Log In - The Comprehensive Drinking Water, Sewer and Recycled Water Rate Analysis (Comprehensive Rate Study) and more information on the proposed rate adjustments and increases are available for review at the District's office and on our website at www.yvwd.dst.ca.us.

Write - Any record owner of a parcel upon which the drinking water, sewer, and recycled water service charges are proposed to be imposed and any tenant directly liable for the payment of drinking water, sewer, or recycled water services may submit a written protest to the proposed rate adjustments. However, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or tenant is opposed to the proposed rate adjustments and increases; (2) provide the location of the identified parcel (by street address, assessor's parcel number, or customer account number); and (3) include the printed name and signature of the property owner or tenant submitting the protest. Written protests may be mailed or delivered in person to Yucaipa Valley Water District, 12770 Second Street, Yucaipa, California 92399.

Attend the Public Hearing - At the time of the Public Hearing, the Board of Directors will hear all oral comments and consider all written protests to the proposed rate adjustments and increases. Any protest submitted by email or other electronic means will not be accepted as a valid written protest. Any oral comments made at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the Board of Directors will tabulate the protests and consider the adoption of the proposed rates and changes.

If written protests against the proposed rates and changes as outlined in this notice are not presented by a majority of the owners or customers of the identified parcels upon which the rates and charges are proposed to be imposed, the Board of Directors will be authorized to adopt the proposed schedule of drinking water, sewer, and recycled water rates and charges. If adopted as proposed, the increased rates and charges will become effective for services provided on and after February 1, 2020, and the scheduled maximum rates may be implemented as provided in the Comprehensive Rate Study.

Why are Rate Increases Necessary?

The Yucaipa Valley Water District is committed to meeting stringent sewer discharge requirements and providing the highest quality drinking water and recycled water at the lowest possible rates for our customers. To meet these commitments, the District evaluates our infrastructure needs, programs, operations, and maintenance costs against our rate structure to adequately recover the costs of those services for the next five years. Rates were adjusted with a similar schedule of adjustments in 2011.

The 2019 Comprehensive Rate Study demonstrates what it costs the District to provide drinking water, sewer and recycled water service and the appropriate rates to fairly and appropriately allocate the costs of providing these services to our customers. The cost of providing service not only includes the water we purchase and produce or the sewer that is treated, but also the infrastructure that conveys, lifts, filters, delivers, and stores the water and sewer as well as the other operational costs to ensure that there is safe and reliable water to meet the needs of all of our water customers twenty-four hours a day, seven days a week.

Based on the Comprehensive Rate Study, it has been determined that rate adjustments and increases are necessary for the District's drinking water, sewer, and recycled water service charges to enable the District to:

- Recover current and long-term projected costs of operating and maintaining the drinking water, sewer and recycled water systems;
- Fund capital infrastructure improvements needed to repair and update the District's aging infrastructure;
- Maintain the operational and financial stability of the District;
- Comply with State-mandated drinking water, sewer, and recycled water regulatory requirements;
- Meet and comply with annual debt service requirements; and
- Avoid operational deficits and depletion of reserves.

Overview of the Proposed Drinking Water, Sewer and Recycled Water Rates

The proposed drinking water, sewer and recycled water rates were calculated to recover costs and to proportionately allocate those costs on a parcel basis among the various customer classes. The fixed and variable components to the existing and proposed drinking water, sewer and recycled water rates are as follows:

Drinking Water Service Charge - The Drinking Water Service Charge is a fixed monthly charge established on the basis of the size of the meter (in inches) serving a property and is calculated to recover a portion of the District's fixed costs of operating and maintaining the reliability of the drinking water system and for delivering water. These costs include maintenance, repair and replacement of infrastructure, water quality testing, meter reading, customer billing and collection, debt service payments and employee salaries.

Drinking Water Service Charge	Current Rate	Effective 2/1/2020	Effective 1/1/2021	Effective 7/1/2021	Effective 7/1/2022
Service Charge per Dwelling Unit	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
1" Water Meter - 1.67 EDU	\$23.38	\$25.05	\$26.72	\$27.56	\$28.39
1½" Water Meter - 3.33 EDU	\$46.62	\$49.95	\$53.28	\$54.95	\$56.61
2" Water Meter - 5.33 EDU	\$74.62	\$79.95	\$85.28	\$87.95	\$90.61
3" Water Meter - 10.00 EDU	\$140.00	\$150.00	\$160.00	\$165.00	\$170.00
4" Water Meter - 16.67 EDU	\$233.38	\$250.05	\$266.72	\$275.06	\$283.39
6" Water Meter - 33.33 EDU	\$466.62	\$499.95	\$533.28	\$549.95	\$566.61
8" Water Meter - 53.33 EDU	\$746.62	\$799.95	\$853.28	\$879.95	\$906.61

Drinking Water Service Charge	Effective 7/1/2023	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026	Projected 7/1/2027
Service Charge per EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
1" Water Meter - 1.67 EDU	\$29.23	\$30.06	\$30.90	\$31.73	\$32.57
1½" Water Meter - 3.33 EDU	\$58.28	\$59.94	\$61.61	\$63.27	\$64.94
2" Water Meter - 5.33 EDU	\$93.28	\$95.94	\$98.61	\$101.27	\$103.94
3" Water Meter - 10.00 EDU	\$175.00	\$180.00	\$185.00	\$190.00	\$195.00
4" Water Meter - 16.67 EDU	\$291.73	\$300.06	\$308.40	\$316.73	\$325.07
6" Water Meter - 33.33 EDU	\$583.28	\$599.94	\$616.61	\$633.27	\$649.94
8" Water Meter - 53.33 EDU	\$933.28	\$959.94	\$986.61	\$1,013.27	\$1,039.94

Drinking Water Commodity Charge -The Drinking Water Commodity Charge is a variable charge imposed per unit of delivered drinking water with one unit equal to one thousand gallons (kgal). The rates for these charges are calculated to recover a portion of the District's fixed costs and variable costs of providing drinking water service, including the cost of producing, purchasing, treating, electricity, labor/benefits, and treatment chemicals, as well as replacing infrastructure. The amount of the Drinking Water Commodity Charge varies each month depending on the number of units (kgal), or fraction of a unit, of drinking water a customer uses during the billing period.

Drinking Water Commodity Charge (kgal)	Current Rate (\$/kgal)	Effective 2/1/2020	Effective 1/1/2021	Effective 7/1/2021	Effective 7/1/2022
1 – 15 Billing Units	\$1.429	\$1.479	\$1.579	\$1.626	\$1.675
16 – 60 Billing Units	\$1.919	\$2.069	\$2.131	\$2.419	\$2.504
61 – 100 Billing Units	\$2.099	\$2.269	\$2.435	\$2.508	\$2.583
101 and greater Billing Units	\$2.429	\$2.629	\$2.668	\$2.708	\$2.759

Drinking Water Commodity Charge (kgal)	Effective 7/1/2023	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026	Projected 7/1/2027
1 – 15 Billing Units	\$1.691	\$1.777	\$1.848	\$1.922	\$1.999
16 – 60 Billing Units	\$2.591	\$2.692	\$2.786	\$2.884	\$2.985
61 – 100 Billing Units	\$2.661	\$2.703	\$2.798	\$2.896	\$2.997
101 and greater Billing Units	\$2.861	\$2.897	\$2.969	\$3.120	\$3.120

Excess Drinking Water Commodity Charge -The Excess Drinking Water Commodity Charge is a variable charge imposed per unit of delivered drinking water in excess of the number of Water Service Units for the property. For a typical home, this charge will not apply until more than 21 units (21,000 gallons) are used in a billing period. The rates for these charges are calculated to recover the additional costs for the operation, repair, maintenance, and replacement of drinking water filtration facilities, pipelines, reservoirs, boosters, and groundwater wells that exceeds the capacity purchased in the drinking water system.

Excess Drinking Water Commodity Charge (kgal)	Effective 2/1/2020	Effective 1/1/2021	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Billing Units in Excess of Water Service Unit Allocation	\$0.240	\$0.249	\$0.263	\$0.278	\$0.303

Excess Drinking Water Commodity Charge (kgal)	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Billing Units in Excess of Water Service Unit Allocation	\$0.326	\$0.352	\$0.359	\$0.366	\$0.374

Drinking Water Infrastructure Replacement Commodity Charge -The Drinking Water Infrastructure Replacement Commodity Charge is a variable charge per unit of delivered drinking water used for capital infrastructure rehabilitation and replacement to ensure the drinking water system (treatment, pipelines, boosters, wells, and reservoirs) continues to provide safe, high-quality drinking water to our community and to ensure the system works properly when emergencies arise.

Infrastructure Replacement Commodity Charge (kgal)	Effective 2/1/2020	Effective 1/1/2021	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Each Billing Unit (kgal)	\$0.151	\$0.397	\$0.497	\$0.621	\$0.766

Infrastructure Replacement Commodity Charge (kgal)	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Each Billing Unit (kgal)	\$0.776	\$0.980	\$0.989	\$1.017	\$1.035

Supplemental Water Commodity Charge -The Supplemental Water Commodity Charge applies to all drinking water consumption and is used to acquire, secure, operate, maintain, and obtain a variety of supplemental water sources to augment local water resources. This commodity charge is based on a pass-through cost of imported water rates set by the San Bernardino Valley Municipal Water District and the San Geronio Pass Water Agency. While it is essential for the Supplemental Water Commodity Charge to be adjusted automatically following any change by either State Water Contractor, the Yucaipa Valley Water District may take action by separate resolution to reduce this commodity charge if a less expensive supplemental water source, capital cost contribution, or operational cost is determined to be available as supplemental water that is created, established, or secured by the Yucaipa Valley Water District.

Supplemental Water Commodity Charge

= [Calculation Factor] x [SBVMWD or SGPWA Imported Water Rate] x [0.00307]

Supplemental Water Supply Commodity Charge	Current Factor	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026
Calculation Factor	0.700	0.722	0.739	0.756	0.777	0.791	0.818

Fire Service Demand Charge. The fire service standby charge shall be a daily charge per inch diameter of the: (1) main fire line; (2) detector check valve; or (3) water meter for residential fire sprinklers installed to the premises. Water usage through a bypass meter is billed at two times the highest Drinking Water Commodity Charge.

Fire Service Demand Charge	Current Rate	Effective 2/1/2022	Effective 7/1/2024	Effective 7/1/2026	Effective 7/1/2028
Monthly charge per diameter inch of main fire line detector check valve or meter, whichever is larger	\$2.555	\$2.683	\$2.817	\$2.958	\$3.106

Summary of Proposed Drinking Water Rates and Charges - Since the total fixed and variable charges vary depending on the amount of drinking water consumed, the following table has been prepared to illustrate how the proposed drinking water rates effective on February 1, 2020 will change the existing rate structure.

Sample Drinking Water Rate Calculations for a ¾ Inch Water Meter (Effective February 1, 2020)				
Water Consumption (kgal)	10	15	25	35
<i>Existing Total Drinking Water Charge</i>	\$29.80	\$37.70	\$59.36	\$82.46
Proposed Service Charge	\$15.00	\$15.00	\$15.00	\$15.00
Proposed Commodity Charge	\$14.79	\$22.19	\$42.88	\$63.57
Proposed Excess Commodity Charge	\$ 0.00	\$ 0.00	\$ 0.96	\$ 3.36
Proposed Infrastructure Replacement Charge	\$ 1.51	\$ 2.27	\$ 3.78	\$ 5.29
Proposed Total Drinking Water Charge	\$31.30	\$39.46	\$62.62	\$87.22

Sewer Service Charge - The Sewer Service Charge applies to all customers based on the number of Sewer Service Units (SSU) whereby the Sewer Service Charge for a typical residential customer is based on 1.00 Sewer Service Units. The Sewer Service Charge is calculated to the District's costs associated with operating and maintaining the sewer collection system and sewer treatment process to comply with discharge requirements and Maximum Benefit Objectives set by the Santa Ana Regional Water Quality Control Board. These costs include maintenance, repair and replacement of sewer infrastructure, laboratory testing, regulatory compliance, customer billing, debt service payments and employee salaries.

Sewer Service Charge	Current Rate	Effective 2/1/2020	Effective 1/1/2021	Effective 7/1/2021	Effective 7/1/2022
Sewer Service Charge per Sewer Service Unit	\$42.43	\$43.48	\$44.21	\$44.52	\$45.30

Sewer Service Charge	Effective 7/1/2023	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026	Projected 7/1/2027
Sewer Service Charge per Sewer Service Unit	\$46.09	\$46.90	\$47.72	\$48.55	\$49.40

The factors used to calculate the volumetric sewer charges to commercial and industrial facilities are not proposed to change.

Recycled Water Service Charge - The Recycled Water Service Charge is a fixed monthly charge established on the basis of the size of the meter (in inches) serving a property and is calculated to recover a portion of the District's fixed costs of operating and maintaining the reliability of the recycled water system and for delivering water. These costs include maintenance, repair and replacement of infrastructure, water quality testing, meter reading, customer billing and collection, debt service payments and employee salaries.

Recycled Water Service Charge	Current Rate	Effective 2/1/2020	Effective 1/1/2021	Effective 7/1/2021	Effective 7/1/2022
Service Charge per Dwelling Unit	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
1" Water Meter - 1.67 EDU	\$23.38	\$25.05	\$26.72	\$27.56	\$28.39
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3" Water Meter - 10.00 EDU	\$140.00	\$150.00	\$160.00	\$165.00	\$170.00
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8" Water Meter - 53.33 EDU	\$746.62	\$799.95	\$853.28	\$879.95	\$906.61

Recycled Water Service Charge	Effective 7/1/2023	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026	Projected 7/1/2027
Service Charge per EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
1" Water Meter - 1.67 EDU	\$29.23	\$30.06	\$30.90	\$31.73	\$32.57
1½" Water Meter - 3.33 EDU	\$58.28	\$59.94	\$61.61	\$63.27	\$64.94
2" Water Meter - 5.33 EDU	\$93.28	\$95.94	\$98.61	\$101.27	\$103.94
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8" Water Meter - 53.33 EDU	\$933.28	\$959.94	\$986.61	\$1,013.27	\$1,039.94

Recycled Water Commodity Charge -The Recycled Water Commodity Charge is a variable charge imposed per unit of delivered recycled water with one unit equal to one thousand gallons (kgal). The rates for these charges are calculated to recover a portion of the District's fixed costs and variable costs of providing recycled water service, including the cost of electricity, labor/benefits, as well as replacing infrastructure. The amount of the Recycled Water Commodity Charge varies each month depending on the number of units (kgal), or fraction of a unit, of recycled water a customer uses during the billing period.

Recycled Water Commodity Charge (kgal)	Current Rate (\$/kgal)	Effective 2/1/2020	Effective 1/1/2021	Effective 7/1/2021	Effective 7/1/2022
Billing Units (kgal)	\$1.425	\$1.725	\$1.760	\$1.795	\$1.836

Recycled Water Commodity Charge (kgal)	Effective 7/1/2023	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026	Projected 7/1/2027
Billing Units (kgal)	\$1.879	\$1.922	\$1.966	\$2.011	\$2.057

Excess Recycled Water Commodity Charge -The Excess Recycled Water Commodity Charge is a variable charge imposed per unit of delivered recycled water in excess of the number of Recycled Service Units for the property. The rates for this charge are calculated to recover the additional costs for the operation, repair, maintenance, and replacement of recycled water pipelines, reservoirs, boosters, and groundwater wells that exceeds the capacity purchased in the recycled water system.

Excess Recycled Water Commodity Charge (kgal)	Effective 2/1/2020	Effective 1/1/2021	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Billing Units in Excess of Recycled Water Service Unit Allocation	\$0.067	\$0.129	\$0.183	\$0.195	\$0.208

Excess Recycled Water Commodity Charge (kgal)	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Billing Units in Excess of Recycled Water Service Unit Allocation	\$0.221	\$0.236	\$0.251	\$0.267	\$0.285

Recycled Water Infrastructure Replacement Commodity Charge - The Recycled Water Infrastructure Replacement Commodity Charge is a variable charge per unit of delivered recycled water used for capital infrastructure rehabilitation and replacement to ensure the recycled water infrastructure (pipelines, boosters, wells, and reservoirs) continue to provide safe, high-quality recycled water to our community.

Infrastructure Replacement Commodity Charge (kgal)	Effective 2/1/2020	Effective 1/1/2021	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Each Billing Unit (kgal)	\$0.151	\$0.153	\$0.154	\$0.156	\$0.157

Infrastructure Replacement Commodity Charge (kgal)	Effective 7/1/2024	Effective 1/1/2025	Projected 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Each Billing Unit (kgal)	\$0.159	\$0.160	\$0.162	\$0.164	\$0.165

Summary of Recycled Water Rates and Charges - Since the total charges vary depending on the amount of recycled water consumed, the following table has been prepared to illustrate how the proposed recycled water rates effective on February 1, 2020 will change the existing rate structure.

Sample Recycled Water Rate Calculations for a ¾ Inch Water Meter (Effective February 1, 2020)				
Water Consumption (kgal)	5	15	25	100
<i>Existing Total Recycled Water Charge</i>	<i>\$21.88</i>	<i>\$37.64</i>	<i>\$53.67</i>	<i>\$176.89</i>
Proposed Service Charge	\$15.00	\$15.00	\$15.00	\$15.00
Proposed Commodity Charge	\$18.63	\$25.88	\$43.13	\$172.50
Proposed Excess Commodity Charge	\$ 0.00	\$ 0.00	\$ 0.27	\$ 5.29
Proposed Infrastructure Replacement Charge	\$ 0.76	\$ 2.27	\$ 3.78	\$ 15.10
Proposed Total Recycled Water Charge	\$24.39	\$43.15	\$62.18	\$207.89

Notice of Public Hearing and Protest Procedure

NOTICE IS HEREBY GIVEN that on **Tuesday, January 21, 2020 at 6:00 pm**, a public meeting will be conducted by the Yucaipa Valley Water District at 12770 Second Street, Yucaipa, California 92399 to consider the proposed drinking water, sewer, and recycled water rate increases for all parcels of property that are provided drinking water, sewer, and/or recycled water service by the Yucaipa Valley Water District.