



# NOTICE OF PUBLIC HEARING

Concerning proposed changes to Hi-Desert Water District water rates and service charges.

The Hi-Desert Water District ("HDWD" or the "District") Board of Directors will hold a public hearing at the time, date, and location specified in this notice to consider a proposed schedule of changes to water rates and charges and the rate structure.

If adopted, proposed rate increases and charges will take effect for all water used on and after February 1, 2020, and may be increased on July 1, 2020; July 1, 2021; July 1, 2022; and July 1, 2023, up to the maximum amounts set forth in this notice.

The public hearing will be conducted per California Constitution Article XIII D, Section 6 (also known as "Proposition 218"). This notice is being sent to all property owners and tenants who are customers of record, whose parcels receive water service from Hi-Desert Water District and who would be impacted by the proposed water service charges.

All members of the public are invited to attend the public hearing. Additionally, under California State Law, all property owners and customers of record may submit a written protest to the proposed rate changes. Only one protest per parcel will be counted for purposes of calculating whether a majority protest exists.

Please refer to the "How Can I Participate?" section of this document for instructions on submitting a formal written protest against the proposed action. You may also appear at the public hearing at the date and time specified in this notice.



## PUBLIC HEARING

**Wednesday,  
January 22, 2020  
5:30 p.m.**

**LOCATION:  
Hi-Desert Water District  
55439 Twentynine Palms Highway  
Yucca Valley, CA 92284**



## Why have I received this notice?

**Hi-Desert Water District is committed to providing reliable water service at rates that do not exceed the cost of service, while protecting the public's investment in vital water infrastructure.**

The District hired an independent, third-party expert to determine the cost of providing water and the revenue required to maintain current service levels. The result was recommended changes – explained in this notice – that fairly and equitably distribute the allocation of costs among all customer classes.

Property owners and customers of record subject to water service charges are receiving this notice.



**Securing safe, reliable water for a growing community is our mission!**

## SYSTEM IMPROVEMENTS

The District has been busy over the last year upgrading your water system, from replacing aging equipment to performing preventive maintenance. These updates improve water supply reliability and efficiency, and help us serve you better.

### 2019 at-a-glance



**21,859** feet of old water mains replaced



**30** fire hydrants replaced



**479** new service lines installed



**619** water meters replaced

## BANKING WATER

Purchasing water ensures a healthy water supply to serve our community's growing needs. The District purchases water that is delivered through the Morongo Pipeline and used to recharge the groundwater basin. The cost of this supplemental water has been increasing year after year.

### 2019 at-a-glance



**Water imported and recharged:**  
**1,759** acre-feet



**Cost per acre-foot:** **\$632**

## Description of proposed rate structures



The proposed rate structure includes a monthly fixed charge, imposed upon all customers based on the size of the meter serving the property, and a volumetric rate determined by the amount of water delivered to each parcel, measured in hundred cubic feet (hcf).



The **monthly fixed charge** covers non-fluctuating costs such as capital projects, transmission, distribution, meters and service.



The **volumetric rate** is tiered, with each tier representing the incremental costs of higher water use. Volumetric rates are imposed based on customer class, with customers divided generally into four classes: residential; commercial and public; CIMIS; and irrigation and bulk. Volumetric rates cover expenses such as purchased water, electricity and chemicals for treatment.

# Why are new rates and charges being considered?



## RISING COSTS

HDWD is paying more to operate and maintain the water delivery system. The areas where expenses have increased include imported water, treatment, energy, meter service, customer billing and collection, and administrative costs.



## FINANCIAL STABILITY

Water rates have remained the same since 2011. Due to this extended break in rates and adjustments to charges, the independent cost-of-service analysis revealed that the District's revenue is not sufficient to meet its financial obligations.

In addition to costs from operations, maintenance and debt service, HDWD must maintain adequate cash reserves for a strong credit rating as well as for possible emergency funding needs.



# What is changing?



**The proposed rates and charges are based on the cost-of-service analysis.**

If approved, the District's tiered rate structure would be simplified by reducing the number of tiers from four to three. Tiered rates would apply to all customers, including California Irrigation Management Information System (CIMIS) customers and bulk water users.

**The monthly fixed charge would decrease for all customer classes in 2020.**



**Questions about the proposed changes?**



**JOIN US FOR A COMMUNITY MEETING**

**Thursday  
January 9, 2020  
5:00 p.m. – 6:00 p.m.**

**LOCATION:**

Hi-Desert Water District  
Board Room  
55439 Twentynine Palms Highway  
Yucca Valley, CA 92284



## DID YOU KNOW?

As a public agency, HDWD cannot earn a profit from the services it provides and must charge no more than the actual costs associated with providing services to its customers.



## Proposed Monthly Fixed Charge

METER SIZE	CURRENT RATES	Effective FEB. 1, 2020	Effective JULY 1, 2020	Effective JULY 1, 2021	Effective JULY 1, 2022	Effective JULY 1, 2023
5/8 inch	\$23.30	\$20.75	\$21.37	\$22.01	\$22.67	\$23.35
1 inch	\$46.80	\$41.02	\$42.25	\$43.52	\$44.82	\$46.17
1 ½ inch	\$78.30	\$74.81	\$77.05	\$79.37	\$81.75	\$84.20
2 inch	\$125.30	\$115.35	\$118.81	\$122.37	\$126.05	\$129.83
3 inch	\$258.40	\$223.45	\$230.15	\$237.06	\$244.17	\$251.49
4 inch	\$399.40	\$345.06	\$355.41	\$366.07	\$377.06	\$388.37
6 inch	\$783.60	\$682.88	\$703.37	\$724.47	\$746.20	\$768.59

The monthly fixed charge would decrease for all customer classes in 2020.



## Proposed Tier Thresholds

TIER	CURRENT TIER THRESHOLD FOR SINGLE FAMILY RESIDENTIAL	PROPOSED TIER THRESHOLD FOR ALL CLASSES
1	4 hcf	4 hcf
2	10 hcf	11 hcf
3	28 hcf	above 11 hcf
4	Above 28 hcf	



## Proposed Volumetric Rates per HCF\*

CUSTOMER CLASS	TIER	Effective FEB. 1, 2020	Effective JULY 1, 2020	Effective JULY 1, 2021	Effective JULY 1, 2022	Effective JULY 1, 2023
<b>Residential</b> <i>Includes multi-residential &amp; mobile homes</i>	1	\$3.65	\$3.76	\$3.88	\$3.99	\$4.11
	2	\$6.17	\$6.36	\$6.55	\$6.75	\$6.95
	3	\$7.02	\$7.24	\$7.45	\$7.68	\$7.91
<b>Commercial and Public</b>	1	\$5.72	\$5.90	\$6.07	\$6.26	\$6.44
	2	\$6.17	\$6.36	\$6.55	\$6.75	\$6.95
	3	\$7.02	\$7.24	\$7.45	\$7.68	\$7.91
<b>CIMIS</b>	1	\$5.76	\$5.94	\$6.12	\$6.30	\$6.49
	2	\$6.17	\$6.36	\$6.55	\$6.75	\$6.95
	3	\$6.17	\$6.36	\$6.55	\$6.75	\$6.95
<b>Irrigation and Bulk</b>	1	\$5.76	\$5.94	\$6.12	\$6.30	\$6.49
	2	\$6.17	\$6.36	\$6.55	\$6.75	\$6.95
	3	\$9.90	\$10.20	\$10.51	\$10.82	\$11.15

\*hcf - hundred cubic feet, which is equal to 748 gallons

# How can I participate?

HDWD welcomes your participation and input throughout the process as the Board of Directors considers the changes explained in this notice. If you have questions or comments about the proposed rates, you can:



**CALL OR VISIT.** The cost-of-service study and other information on the proposed adjustments and increases are available for review at HDWD, 55439 Twentynine Palms Highway, Yucca Valley, and on our website: [www.hdwd.com](http://www.hdwd.com).



**WRITE.** Written protests may be mailed or delivered in person to HDWD, Attention: Board Secretary, 55439 Twentynine Palms Highway, Yucca Valley, CA 92284.



**ATTEND THE PUBLIC HEARING.** Written protests may also be submitted at the Public Hearing on **Wednesday, January 22, 2020, at 5:30 p.m.** in the **HDWD Board Room, 55439 Twentynine Palms Highway, Yucca Valley.**

All members of the public will have an opportunity to speak and give testimony regarding the proposed changes at the public hearing; however, only written protests will count toward a majority protest. Written protests must be received before the conclusion of the public hearing.

## PUBLIC HEARING PROCESS

**At the public hearing, the HDWD Board of Directors will hear and consider all protests and objections to the proposed increases.**

Protests submitted by email or other electronic means do not count as formal written protests; oral comments do not qualify as a formal protest unless accompanied by a written protest. For a protest to be counted, it must (1) be in writing, (2) provide the assessor's parcel number or service address of the property, and (3) include the name and signature of the person submitting the written protest. Protests may be submitted by mail or in person at 55439 Twentynine Palms Highway, Yucca Valley, CA 92284. Protests may be submitted until the end of the public testimony portion of the public hearing.

Upon conclusion of the hearing, the Board will evaluate the protests and consider the adoption of the proposed increases to the water rates and service charges. The Board is authorized to adopt the increased rates if written protests against the proposed rates are not submitted on behalf of a majority of the separate parcels subject to the water service charges. If adopted as proposed, the increased rates and charges become effective on February 1, 2020, July 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023.



## CALCULATING BILL CHANGES

HDWD is developing an online bill estimator tool to help you determine what the proposed rates mean for you. It will be available at [www.hdwd.com](http://www.hdwd.com).

District staff is available to help you calculate how the proposed rates would impact your bill. For assistance, call **760-365-8333** or email [info@hdwd.com](mailto:info@hdwd.com)



## Save water, save money

HDWD is fortunate to receive its water from underground basins. This local groundwater source is the least expensive supply and is more reliable than imported water in times of drought. That is why it is so important that we protect this finite source and always use water as efficiently as possible.

Wise water use does more than conserve – it also saves money. The less water you use, the lower your monthly bill. HDWD offers numerous tools and tips to help customers save, including free conservation products, rebates for high-efficiency toilets, and a list of desert-friendly plants. More information is available on our website, **[www.hdwd.com](http://www.hdwd.com)**.

Below are some water use regulations issued by the State that can also help reduce water waste:



Avoid outdoor irrigation during and within 48 hours after measurable rainfall.



Drinking water may not be used in decorative fountains and water features that do not recirculate the water.



When washing cars, hoses must have a shutoff nozzle.



Sprinkler runoff is prohibited, as is hosing off sidewalks, driveways and other hard surfaces.



**Hi-Desert Water District Office**  
55439 Twentynine Palms Highway  
Yucca Valley, CA 92284

## NOTICE OF PUBLIC HEARING

Concerning proposed changes to Hi-Desert Water District water rates and service charges.



***Do you have questions about the proposed changes?***

Join us for a community meeting on the following date and time:

**Thursday, January 9, 2020 at 5:00 p.m. – 6:00 p.m.**

**Location:** Hi-Desert Water District, Board Room  
55439 Twentynine Palms Highway, Yucca Valley, CA 92284