

# **ATTACHMENT B**

## **Copy of Public Hearing Notice**



June 3, 2021

14343 Civic Drive  
P.O. Box 5001  
Victorville, California 92393-5001

## VICTORVILLE WATER DISTRICT - NOTICE OF PUBLIC HEARING PROPOSED CHANGES TO RATES AND CHARGES FOR WATER SERVICES

**PLEASE TAKE NOTICE THAT** the Board of Directors ("Board") of the Victorville Water District ("VWD") will conduct a **public hearing on Tuesday, July 20, 2021 at 6:00 p.m.**, or as soon thereafter as the matter can be heard, in the Victorville City Hall Council Chambers, located at 14343 Civic Drive, Victorville, California 92392, **to consider a proposed schedule of changes to the fees VWD charges to provide water and water services (the "Proposed Changes").** If approved, the Proposed Changes will be effective for a five-year period, commencing on **August 1, 2021**. This notice is being sent to all property owners of record who receive water services from the VWD to describe the proposed changes and the reasons for such changes. ***Si desea recibir este aviso en español, por favor llame al (760) 245-6424.***

**Reasons for the Proposed Changes:** A cost of service/rate study ("Rate Study") was prepared by an independent consultant to evaluate costs associated with VWD's infrastructure needs, programs, operations and maintenance requirements, and administrative functions directly related to providing water service. The Rate Study demonstrated that VWD needs to make adjustments in the way its rates and charges are calculated to ensure: (1) consistency with current industry and new legal standards; and (2) recovery of its costs of providing water services, many of which costs have increased over the past five years (e.g., electricity for pumping, wholesale water purchases and State-mandated drinking water compliance regulations). The Proposed Changes will continue to allow VWD to: fund capital infrastructure improvements believed necessary to provide safe and reliable drinking water, improve fire service capacity, minimize mainline failures, maintain the operational and financial stability of VWD, and avoid operational deficits and depletion of reserves.

**Basis for the Proposed Changes:** On the following page, Table I shows the changes VWD proposes to make to its monthly water service (meter) charges, and Table II shows the changes proposed for the water (consumption) rates. On the third and fourth page of this notice, Table III contains water consumption rates that may be imposed in lieu of the Table II rates, should escalating drought conditions so require. All Proposed Changes shown in Tables I, II and III are based on the detailed information and calculations in the Rate Study, a copy of which is available for review at the VWD offices at City Hall, and online at: [www.victorvilleca.gov/government/legally-required-postings](http://www.victorvilleca.gov/government/legally-required-postings). The Proposed Changes are projected to yield a revenue increase of 3.0% each year through fiscal year 2025-2026.

**Monthly Water Service Charges.** Table I provides a side-by-side comparison of VWD's current fixed/periodic monthly service charges and shows the ***proposed new monthly service charges***, which have been designed to collect the projected water supply costs from volumetric charges and the remaining revenue requirement from fixed charges. In the first year of the rate adjustment, new rates will continue to collect 27% of revenue from fixed charges and 73% from volumetric charges but will transition to a 40% fixed / 60% volumetric split by Year 5 of the proposed rates. By adjusting the fixed vs. volumetric split, VWD is promoting conservation and increasing revenue stability required to maintain the District's ability to provide safe and reliable water service.

**Water Consumption Rates.** Table II provides a side-by-side comparison of VWD's current rates (commodity charges for water consumption) and shows the ***proposed new rates to be imposed for water consumption*** unless drought conditions necessitate imposition of the Drought Rate Schedule. The commodity charge has been restructured into a two-tier rate for Single Family Residents (SFR). All other customer classes would continue to use a uniform volumetric rate. The two-tiered rate structure is applicable for SFR because these

customers represent a very homogenous group with similar water consumption patterns; in contrast, there are significant differences in consumption patterns among commercial customers. The proposed single-family tiered rates also support conservation and offer SFR more control over their monthly bills.

**Table Notes:** Rates are computed on a per “hcf” (hundred cubic feet) basis, which is a standard water consumption billing unit equal to 748 gallons of water.

**Table I: Current and Proposed Monthly Water Service Meter Charges**

Monthly Water Service Charge	Current Rates	Proposed New Service Charges and Effective Dates				
		August 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
		27% Fixed	30% Fixed	33% Fixed	37% Fixed	40% Fixed
Fixed Service Charges:						
¾ inch	\$13.36	\$15.24	\$17.68	\$20.25	\$22.96	\$25.81
1 inch	\$21.09	\$23.31	\$27.04	\$30.97	\$35.12	\$39.48
1.5 inch	\$40.41	\$43.49	\$50.45	\$57.78	\$65.51	\$73.66
2 inch	\$63.60	\$67.71	\$78.54	\$89.96	\$101.99	\$114.67
3 inch	\$125.44	\$132.28	\$153.44	\$175.75	\$199.26	\$224.03
4 inch	\$195.01	\$204.93	\$237.71	\$272.27	\$308.69	\$347.06
6 inch	\$388.25	\$406.72	\$471.78	\$540.38	\$612.67	\$688.81
8 inch	\$1,083.92	\$1,133.18	\$1,314.45	\$1,505.58	\$1,706.99	\$1,919.12
10 inch	\$1,624.99	\$1,698.21	\$1,969.86	\$2,256.28	\$2,558.12	\$2,876.03
Fire Fixed Service Charges:						
¾ inch	\$2.63	\$3.13	\$3.63	\$4.16	\$4.72	\$5.30
1 inch	\$3.20	\$4.14	\$4.67	\$5.23	\$5.83	\$6.45
1.5 inch	\$4.64	\$5.15	\$5.71	\$6.31	\$6.93	\$7.59
2 inch	\$6.37	\$6.36	\$6.96	\$7.60	\$8.26	\$8.96
3 inch	\$11.83	\$10.19	\$10.92	\$11.68	\$12.47	\$13.30
4 inch	\$21.90	\$17.26	\$18.20	\$19.19	\$20.22	\$21.30
6 inch	\$47.78	\$35.42	\$36.94	\$38.52	\$40.16	\$41.86
8 inch	\$82.30	\$59.63	\$61.91	\$64.28	\$66.74	\$69.28
10 inch	\$128.31	\$91.91	\$95.22	\$98.64	\$102.18	\$105.84

**Table II: Current vs. Proposed Water Consumption Rates**

Commodity Charges for All Water Consumption	Current Rates	Proposed New Service Charges and Effective Dates				
		August 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
		73% Variable	70% Variable	67% Variable	63% Variable	60% Variable
Rate Per hcf of Water Consumed:						
Single Family Residential						
Tier 1 (1 - 6 hcf)	\$2.35	\$1.41	\$1.02	\$0.92	\$0.81	\$0.80
Tier 2 (7+ hcf)	--	\$3.58	\$2.51	\$2.47	\$2.44	\$2.44
All Other Customers	\$2.35	\$2.61	\$2.57	\$2.52	\$2.47	\$2.42
Flow Meter / Intertie / Well	\$3.51	\$3.56	\$3.67	\$3.78	\$3.89	\$4.01

**Estimated Impact on Customer Bill.** Although water consumption and meter sizes do vary, a typical residential customer with a ¾ inch meter connection (approximately 91% of all VWD customers) uses an average of 13 hcf (9,724 gallons) per month. A sample of billing impacts (comparing VWD’s current water service charges and rates to the **proposed new charges and rates** for fiscal year 2021-2022), is shown in Chart A of this notice. Additional charts showing customer billing impacts for Fiscal Years 2022-2023 through 2025-2026 and other information

relating to the Proposed Changes is available for review at the VWD offices, and online, by visiting the City's website at [www.victorvilleca.gov/government/legally-required-postings](http://www.victorvilleca.gov/government/legally-required-postings).

**Chart A – Estimated Customer Bill Impact (FY 2021-2022)**

Water Use (hcf units)	Meter Size	Current			Proposed New – Effective 08/01/2021		
		Water Rates	Service Charge	Total	Water Rates	Service Charge	Total
6	3/4 inch	\$14.10	\$13.36	\$27.46	\$8.46	\$15.24	\$23.70*
13	3/4 inch	\$30.55	\$13.36	\$43.91	\$33.52	\$15.24	\$48.76*
17	3/4 inch	\$39.95	\$13.36	\$53.31	\$47.84	\$15.24	\$63.08*
28	1 inch	\$65.80	\$21.09	\$86.89	\$73.08	\$23.31	\$96.39
67	1.5 inch	\$157.45	\$40.41	\$197.86	\$174.87	\$43.49	\$218.36
144	2 inch	\$338.40	\$63.60	\$402.00	\$375.84	\$67.71	\$443.55
298	3 inch	\$700.30	\$125.44	\$825.74	\$777.78	\$132.28	\$910.06
371	4 inch	\$871.85	\$195.01	\$1,066.86	\$968.31	\$204.93	\$1,173.24
387	6 inch	\$909.45	\$388.25	\$1,297.70	\$1,010.07	\$406.72	\$1,416.79
1,012	8 inch	\$2,378.20	\$1,083.92	\$3,462.12	\$2,641.32	\$1,133.18	\$3,774.50
5,878	10 inch	\$13,813.30	\$1,624.99	\$15,438.29	\$15,341.58	\$1,698.21	\$17,039.79

\*Total amount for estimated bill impact is calculated using the SFR tiered rates. All other total amounts are calculated using the uniform rate.

**Drought Rate Schedule.** Currently, 97.5% of California is in some stage of drought with a drought emergency declared in 41 counties due to extreme dry conditions in most of the state. Should extraordinary measures to combat drought (whether imposed by VWD or the State) result in water conservation reaching the percentages shown in the first column of Table III, the Board may take action to impose the Drought Rate Schedule to ensure VWD recovers sufficient revenues to recover costs of providing water service when consumption so decreases. While there is no immediate need to impose drought rates, they are included in this notice to establish a rate ceiling should dramatic climatic or regulatory changes occur over the next five years. Written notice of imposition (or subsequent adjustment or repeal) of any of the rates shown in Table III will be sent by VWD to affected property owners following adoption of a Board resolution at least thirty (30) days prior to the date any such new rate becomes effective.

**Table III – Drought Rate Schedule  
Conservation Level Compared to FY 2019-2020**

Drought Rate Schedule	Current Rates	Proposed Rates				
		FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Rates for Single Family Residential Tier 1 Water Consumed (per hcf)						
20%	N.A.	\$1.45	\$1.03	After year 2, revenue losses from drought reductions are offset by marginal cost reductions.		
30%	N.A.	\$1.48	\$1.04			
40%	N.A.	\$1.53	\$1.05			
50%	N.A.	\$1.59	\$1.07			
Rates for Single Family Residential Tier 2 Water Consumed (per hcf)						
20%	N.A.	\$3.63	\$2.52	After year 2, revenue losses from drought reductions are offset by marginal cost reductions.		
30%	N.A.	\$3.66	\$2.53			
40%	N.A.	\$3.70	\$2.54			
50%	N.A.	\$3.76	\$2.56			
Rates for Standard Domestic & Public Benefit Use Water Consumed Water Consumed (per hcf)						
20%	N.A.	\$2.66	\$2.73	After year 2, revenue losses from drought reductions are offset by marginal cost reductions.		
30%	N.A.	\$2.69	\$2.74			
40%	\$2.53	\$2.73	\$2.75			
45%	\$2.75	N.A.	N.A.			
50%	\$3.02	\$2.79	\$2.77			
55%	\$3.35	N.A.	N.A.			
60%	\$3.76	N.A.	N.A.			

**Table III – Drought Rate Schedule, Continued**

Drought Rate Schedule	Current Rates	Proposed Rates				
		FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Rates for Construction Flow Meter / Filler Spout Water / Intertie (per hcf)						
20%	N.A.	\$3.61	\$3.68	After year 2, revenue losses from drought reductions are offset by marginal cost reductions.		
30%	N.A.	\$3.64	\$3.69			
40%	\$3.92	\$3.69	\$3.70			
45%	\$4.27	N.A.	N.A.			
50%	\$4.69	\$3.75	\$3.72			
55%	\$5.20	N.A.	N.A.			
60%	\$5.85	N.A.	N.A.			

**Public Hearing and Protest:** Any property owner of record of an identified parcel subject to the Proposed Changes may submit a written protest. Only one protest will be counted per identified parcel. Each written protest must: (1) state that the identified property owner is opposed to the proposed water rate changes; (2) provide the location of the identified parcel (by street address or assessor's parcel number); and (3) include the printed name and original signature of the submitting property owner. Written protests may be submitted by mail or in person to: Victorville Water District, Secretary of the Board, 14343 Civic Drive, Victorville, CA 92392. Protests submitted by email or other electronic means will not be accepted. Please write or type **"Proposed Water Rates-Do Not Open"** on the front of each envelope in which a protest is submitted. Written protests may also be submitted at the July 20, 2021 public hearing; however, in order to be counted, all written protests (whether mailed or submitted in person) must be received by VWD prior to the close of the public comment portion of the public hearing.

At the public hearing, the Board will accept and consider all written protests and hear all oral comments on the Proposed Changes. Oral comments will not be counted as protests unless accompanied by a written protest. At the conclusion of the public hearing, the Board will consider adoption of the proposed changes to the water rates and service charges described in this notice and contained in the adopting resolution. If valid written protests the Proposed Changes are not received from a majority of the property owners of record of the identified parcels subject to the Proposed Changes, the VWD Board will be authorized to vote to adopt the Proposed Changes. If adopted, the Proposed Changes will be the maximum allowable rates and charges for the water and water services described in this notice that VWD may impose annually over the next five years, commencing as of August 1, 2021.

If you have further questions about the Proposed Changes, please call us (760) 245-6424.