



A STATE OF
CALIFORNIA
PUBLIC AGENCY

QUAIL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Jim Boatman
Matt Daggett
Rita Leonard
Enrique Lopez
Dick Sims

NOTICE OF WATER RATE INCREASE

November 2, 2017

To our valued customers,

At the regular meeting of the Board of Directors of Quail Valley Water District held on 10/28/2017, your Board of Directors reluctantly voted to raise rates by 10% again, effective with the December billing.

This rate increase was identified in the rate study, completed in 2015, as necessary to sustain District activities. In fact, the rate study indicated that even with the proposed rate increases, the District expenses would exceed revenue until 2021. Experience has shown that the assumptions in the rate study were optimistic, and that the gap between expenses and revenue are even greater than anticipated.

In addition to increased regulatory requirements imposed upon the District, maintenance of an aging infrastructure and constantly rising costs for parts, fuel and electricity, the District also had to cope with unanticipated costs associated with the Proposition 84 grant funded arsenic remediation project that are not reimbursable under the grant, including legal fees and loan interest (the District pays interest on a line of credit to pay Prop 84 expenses in the 30 days required by law, while waiting, often more than 60 days, for reimbursement by the State).

In the past several months, we have also been forced to contend with the cost of moving and repairing water lines because of the Umtali Road paving project. While the County agreed to fund the moving of the water lines, the District has received no reimbursement to date, yet we still must pay for materials, fuel and labor.

Labor costs have increased slightly, mostly due to the amount of work that has been required to keep the water system operating, repairing leaks on Umtali Road, managing the Prop 84 project and complying with the increased regulations. The labor cost increase has been kept at a minimum by having salaried staff perform most of the additional labor and due to no District staff receiving an increase in pay rate in over 2 years. The District also does not provide any medical, dental or retirement benefits, so those exorbitant costs are not being passed along to you, but instead are born by employees.

While the District will continue to strive to keep costs contained, it is likely that additional rate increases may be required in the coming year to keep the District operating. None of us like rate increases, but just like the cost of electricity or our grocery bills, costs beyond our control continue to rise, and the District has very limited means to increase revenues outside of raising rates.

We appreciate your understanding of our need to collect revenues sufficient to properly maintain the water system and we will continue to explore less costly alternatives wherever possible.

Thank you for allowing us to continue serving your water needs.

Sincerely

Randy Hardenbrook,
General Manager

HOLIDAY SCHEDULE

DISTRICT OFFICE WILL BE CLOSED:
Thursday, November 23rd and Friday November 24th
In Observance of the Thanksgiving Holiday

DISTRICT OFFICE WILL BE CLOSED:
Friday, December 22nd, and Monday, December 25th
In Observance of the Christmas Holiday

DISTRICT OFFICE WILL BE CLOSED:
Friday, December 29th, and Monday, January 1st
In Observance of the New Year Holiday

**For Emergency Service, Please Call
(661) 822-1923**