



**QUAIL
VALLEY
WATER
DISTRICT**



24750 Sand Canyon Road, Tehachapi, CA 93561

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NOTICE OF PUBLIC HEARING

To: Property Owner of Record; Tenant in Possession of Property; and All Parcels Within the Quail Valley Water District that Receive Water Service

From: Quail Valley Water District

Date: September 30, 2015

Notice is Hereby Given that on the **14th day of November, 2015 at 10:00 AM in the District office located at 24750 Sand Canyon Road, Tehachapi, CA 93561**, the Quail Valley Water District (“District”) will conduct a public hearing on the proposal to adjust and increase its water rates, charges, and other fees. At said time, the District will hear and consider all objections and protests, if any, to said adjustments. The proposal will affect both current and future customers of the District, and thus could possibly affect all property within the District’s boundaries.

The monthly water rate is comprised of a Service Charge (fixed charge based on meter size), and a Water Consumption Rate (variable charge based on water consumption) (collectively “water service charges”). The District’s water service charges are designed to recover the cost of service based on long-term operating and capital funding requirements. The proposed rates are based upon the revenues needed to meet projected operating expenses including arsenic, fluoride, and antimony treatment costs, electricity, alternate water supply, capital improvement projects, and debt service.

To account for continuing increases in the costs of water system operations and providing water services, the District is proposing changes to the current charges for water service. As proposed, the current “stand-by-rate” will be discontinued. The proposed charges will consist of a fixed meter rate based on the size of meter (Service Charge) and a variable charge based on water consumption (Water Consumption Rate) which will be charged for every 100 cubic feet (“HCF”) of water received. The prior practice of not charging a Water Consumption Rate for the first 2,000 gallons of water received will be discontinued. The Service Charge and Water Consumption Rate are detailed in the rate schedules included herein.

At the above-noticed public meeting, the District will also consider increases to other charges/fees that include: Non-Potable Water Rate and Other Miscellaneous Fees and Charges (for example: Delinquent Account charges, new account charges, after-hours charges, and service installation charges).

The proposed changes and suggested increases are based upon the findings of the water rate study completed by Reve Environmental, an independent engineering consultant. This study will be available at the District

Office ten (10) days before the public hearing at 24750 Sand Canyon Road, Tehachapi, CA 93561, Monday through Friday from 9:00 a.m. to 12:00 p.m. This study recommended that the District make the proposed changes to ensure adjustments necessary to keep up with the expenses in providing quality water services and to comply with regulations governing the treatment of water and maintenance of infrastructure. If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact Randy Hardenbrook, Quail Valley Water District Board President, at (661) 822-1923 or randy@qvwd.org.

All interested parties may attend and be heard by the Board of the District at the time and place indicated above. If unable to attend, you may file a written protest prior to the hearing with the District at 24750 Sand Canyon Road, Tehachapi, CA 93561. Include the address or the property's Assessor's Tax Number for each property for which a protest or other response is being made. Only one protest per property will be counted.

Table 3 provides a comparison of the current and proposed rates for Fiscal Year 2016 through 2020.

TABLE 3. Water Rate Schedule		Current Rates ¹	Proposed Rates - Rate Alternative #1				
			FY2016	FY2017	FY 2018	FY 2019	FY 2020
<i>Projected Increase in Rate Revenue per Financial Plan:</i>			20.00%	10.00%	10.00%	10.00%	10.00%
Fixed Service Charge							
Monthly Service Charge by Meter Size:							
5/8-inch	\$65.00	\$70.60	\$77.66	\$85.42	\$93.96	\$103.36	
3/4-inch	N/A	\$70.60	\$77.66	\$85.42	\$93.96	\$103.36	
1- inch	N/A	\$81.19	\$89.31	\$98.24	\$108.06	\$118.87	
Commodity Charges for All Water Customers							
Rate Per HCF of Water Consumed							
Residential Uniform Rates							
Uniform Rate (All Water Consumed)	\$6.00	\$4.54	\$4.99	\$5.49	\$6.04	\$6.64	
Non-Potable Water Rates							
Uniform Rate (All Water Consumed)	--	\$3.40	\$3.74	\$4.12	\$4.53	\$4.98	

¹ Current Monthly charge includes up to 2,000 gallons. It is recommended to replace the current rate structure to a fixed charge/commodity charge type structure.

Table 4 shows a comparison of monthly bills for residential customers under current and proposed rates at varying levels of water consumption.

TABLE 4. Comparison of Monthly Water Bills for Single-Family Residential Customers						
Monthly Water Consumption (HCF)	Current Rates	New Rates, Meter Size 5/8 or 3/4				
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
2	\$65.00	\$79.67	\$87.64	\$96.40	\$106.04	\$116.64
4	\$73.53	\$88.74	\$97.61	\$107.38	\$118.11	\$129.93
6	\$86.35	\$97.81	\$107.59	\$118.35	\$130.19	\$143.21
7	\$92.76	\$102.35	\$112.58	\$123.84	\$136.23	\$149.85
8	\$99.17	\$106.88	\$117.57	\$129.33	\$142.26	\$156.49
10	\$112.00	\$115.96	\$127.55	\$140.31	\$154.34	\$169.77