

# Mariana Ranchos County Water District

## Proposition 218 Notification

### Notice of Public Hearing on Proposed Rate Restructuring and Adjustments to Water Rates and Charges

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**Hearing Date and Time: October 17th, 2024, at 4:00pm**

**Hearing Location: Meeting Room, 9600 Manzanita Street, Apple Valley, Ca**

The Mariana Ranchos County Water District (MRCWD) is proposing a five-year water rate program adjustment and restructuring for all customers. The proposal will be considered by the Board of Directors of MRCWD at a Public Hearing on October 17, 2024. If approved, the water rate adjustments and restructuring will commence on or after October 25, 2024, and adjust annually on January 1<sup>st</sup> thereafter. You are receiving this notification in compliance with California Constitution Article XIII D Section 6 (Proposition 218). It requires that all impacted property owners and customers of record are mailed notice of proposed rate changes at least 45 days prior to a Public Hearing. Proposition 218 also establishes a protest process for the public to follow if they wish to oppose the proposed rates.

#### **BASIS OF PROPOSED RATES**

MRCWD is required by State law and District policy to collect revenues sufficient to cover the costs of operating the water system. These revenues allow MRCWD to protect public health and safety, and reliably convey and treat water. Costs that must be recovered through rate revenue include purchased water, energy costs, equipment and supplies, treatment chemicals, state mandated regulatory compliance and salaries.

Additionally, revenues generated from the water rates would be used to finance the repair and renovation of aging water infrastructure and restore depleting water reserve funds that have been drawn down to compensate for higher levels of water consumption. The rates proposed herein were developed through a comprehensive Rate Study performed by Robert D. Niehaus, Inc. in collaboration with the California Rural Water Association. This Rate Study was designed to meet all legal requirements and fairly and equitably recover the required revenue from all customer classes. This Rate Study is available for review at <http://www.marianaranchoscwd.org/mrcwd-rate-study-information-page>.

#### **WHAT IS BEING DONE TO REDUCE EXPENSES?**

MRCWD has initiated numerous cost savings measures including lower labor and supply costs due to streamlining operations and the advanced use of technology, retiring all debt and constantly striving to provide the best water at the lowest cost. All these measures have helped reduce the amount of the proposed rate changes. The comprehensive water Rate Study prepared by the independent firm concludes that the proposed rates would provide sufficient funds to pay the costs of operations, maintenance, administration and capital improvements over the next five years.

#### **HOW IS THE NEW WATER RATE DESIGN DIFFERENT?**

A cost-of-service Rate Study enables a water utility to proportionately allocate costs to each customer class

and adopt rates that equitably recover those costs from the accounts within the respective customer class. The Rate Study indicated the need to separate ¾", 1" and 1 ½" meter customers and charge a separate base rate for each type. This will allow equality between the ratepayers. Over the next five years the District has decided to convert all existing ¾" meters to 1" thereby creating two customer classes. In addition, the existing four-tiered rate structure will be continued. The allotment in the first tier has been set to 800 cf. Tier 2 was left at 1000 cf, Tier 3 was expanded to 2000 cf and Tier 4 captures excess use of anything 3900 cf and above.

#### HOW DOES THIS AFFECT MY WATER BILL?

As an example, the average monthly consumption for single-family residential customers is approximately 800 cf during winter months when most of the water demand is for indoor water use. On a seasonal average, 80% of District customers use less than 2000 cf of water monthly. This 2000 cf billing has an existing cost of \$119.13. The proposed revenue adjustment with the rate redesign will result in a \$16.27 increase in the monthly bill starting in October 2024. A single-family customer that consumes MRCWD's average (2000 cf) would be charged as follows:

Existing Tiers and Rates				Proposed Tiers and Rates			Difference
Customer Charge		\$55.81		\$66.48			\$10.67
1" Base Rate							
Commodity (Usage) Charge for 2000 cubic feet (cf)							
Tier 1	0-800 cf	\$2.59	\$20.72	0-800 cf	\$2.54	\$20.32	(\$0.40)
Tier 2	900-1800 cf	\$3.41	\$34.10	900-1800 cf	\$3.74	\$37.40	\$3.30
Tier 3	1900-3800 cf	\$4.25	\$8.50	1900-3800 cf	\$5.60	\$11.20	\$2.70
Tier 4	3900 cf +	\$4.43		3900 cf +	\$7.50		
Total Commodity Charge			\$63.32	\$68.92			\$5.60
Total Monthly Charge		\$119.13		\$135.40			\$16.27

#### PROPOSED WATER RATES (January 1<sup>st</sup> of each calendar year)

##### Fixed Monthly Charge for Active Service Connections

Meter Charge	Existing	Proposed				
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
¾"	\$38.78	\$ 49.00	\$ 58.80	\$ 69.38	\$ 79.79	\$ 87.77
1"	\$55.81	\$ 66.48	\$ 79.78	\$ 94.14	\$108.26	\$119.08
1 ½"	\$96.84	\$110.16	\$132.19	\$155.99	\$179.38	\$197.32

##### Fixed Monthly Charge for Inactive/Multiple Service Connections

Inactive/Multiple	Existing	Proposed				
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
¾"	\$17.47/17.46	\$31.50	\$37.80	\$44.60	\$51.29	\$56.42
1"	\$28.12/20.94	\$37.30	\$44.76	\$52.82	\$60.74	\$66.82
1 ½"	\$28.12/20.94	\$51.81	\$62.17	\$73.36	\$84.37	\$92.81

##### Variable Commodity (usage) Charge

Customer Class		Existing Structure and Rates			Proposed Structures and Rates				
Residential	Allotment	Unit Cost	Allotment		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029



Tier 1	0-800 cf	\$2.59	0-800 cf	\$2.54	\$3.05	\$3.60	\$4.14	\$4.55
Tier 2	900-1800 cf	\$3.41	900-1800 cf	\$3.74	\$4.49	\$5.30	\$6.09	\$6.70
Tier 3	1900-3800 cf	\$4.25	1900-3800 cf	\$5.60	\$6.72	\$7.93	\$9.12	\$10.03
Tier 4	3900 cf +	\$4.43	3900 cf +	\$7.50	\$9.00	\$10.62	\$12.21	\$13.43

### HOW TO FIND OUT MORE DETAILS

You can get more detailed information by contacting MRCWD Customer Services Department at (760)247- 9405. You can also view the Rate Study Report and other items at [www.mrcwd.org](http://www.mrcwd.org).

Additional Community Meetings have been scheduled at the MRCWD Board Meeting Room, 9600 Manzanita Street, Apple Valley, Ca to discuss the proposed rate restructuring and revenue increase with customers. All your Board Members will be in attendance to answer any questions, and to hear your concerns.

Monday, September 9, 2024, 7:00pm till finished  
Tuesday, September 17, 2024, 7:00pm till finished  
Thursday, September 19, 2024, 9:30am till finished (Regular Monthly Meeting)  
Saturday, September 28, 2024, 10:00am till finished  
Saturday, September 28, 2024, 5:00pm till finished  
Tuesday, October 15, 2024, 7:00pm till finished

### HOW TO PROTEST THE PROPOSED CHANGES

MRCWD will consider the proposed rate restructuring and adjustment to water rates at a public hearing on Thursday, October 17, 2024 at 4:00pm at the MRCWD Board Meeting Room.

Under Proposition 218, if you are an owner of record, or a tenant, of parcel(s) subject to the proposed rates, you may submit a written protest against the proposed rate increases. Only one protest per parcel will be counted. If written protests are filed by a majority of the affected property owners, the rate increase will not be imposed.

A written protest must include (1) your original signature; (2) identification of the parcel by address or assessor's parcel number; (3) whether you are the owner of the parcel or the person receiving the service for which the fee is charged; and (4) your statement of the specific rate changes for which you are protesting.

Written protests regarding the proposed rate increase will not be accepted by e-mail or fax and may be mailed to: Mariana Ranchos County Water District, Board Secretary, 9600 Manzanita Street, Apple Valley, Ca 92308. Written protests may also be personally delivered to the Board Secretary at this address. To be valid, a protest must be in writing and received by the Board Secretary at or before the end of the public hearing.

Verbal protests will not be counted.

***This notice is being sent to the property owners in the Mariana Ranchos County Water District as listed in the San Bernardino County Assessor's database as well as all individuals who are water customer account holders. As a result, you may receive this notice in duplicate. We apologize for any inconvenience this may cause.***