

NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING REGARDING PROPOSED WATER RATES

Hearing Date & Time: December 1, 2021, at 6:00 PM

Hearing Location: Phelan Community Center

4128 Warbler Road, Phelan, CA 92371

& Via Zoom/Conference Call*

(visit www.PPHCSD.org for Zoom/conference call information)

Why are you receiving this notice?

The Phelan Piñon Hills Community Services District (the “District”) is mailing this notice to you because you are a water customer directly liable for the payment of water service fees, or the owner of record of a property that receives water service. This notice describes proposed changes to the rates for the District’s water service fees, and provides notice of a public hearing to be held on **Wednesday, December 1, 2021, at 6:00 p.m. at the Phelan Community Center, 4128 Warbler Road, Phelan, CA 92371 & via Zoom/conference call** regarding these proposed changes.

What do water rates fund?

The District provides water service to approximately 7,100 customers, and monthly water service fees are the primary source of revenue to operate the water system. Service fees fund costs related to system operations, capital projects, debt service, administration, as well as costs related to prudent long-term operational or financial management of the water system, such as maintaining adequate fund reserves and planning for contingencies.

Revenues received from water service fees are used solely to fund the water enterprise. The objective of the proposed five-year rate schedule is to fully fund operations, address capital replacement, and adequately build-up reserves to meet reserve policies through Fiscal Year 2025-2026. In addition, the District needs to ensure adequate funding to address additional capital and operating expenses. The proposed rates for the District’s water service fees are based on a comprehensive rate study prepared by an independent consultant.

Why are rate increases needed?

An adjustment is needed to fully provide the revenue required for operations and maintenance, repayment of loans, funding of reserves, required repairs and/or replacements of capital facilities and equipment, including Comium66 mitigation, civic center development, meter replacement program, and other obligations of the utility. In addition, the increases will fund water purchases, increased pumping costs due to higher electrical rates, capital projects identified in the District’s Water Master Plan, and the Antelope Valley Adjudication settlement.

Proposed Variable Rates - \$/unit (1 unit = 748 gallons)						
Customer Class	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Residential						
Tier 1: ≤ 9 hcf	\$2.80	\$2.73	\$2.90	\$3.08	\$3.27	\$3.47
Tier 2: 9 hcf- 29 hcf	\$4.26	\$3.12	\$3.31	\$3.51	\$3.73	\$3.96
Tier 3: > 29 hcf	N/A	\$7.53	\$7.99	\$8.47	\$8.98	\$9.52
Commercial	\$3.25	\$3.65	\$3.87	\$4.11	\$4.36	\$4.63
Institutional	\$3.75	\$3.96	\$4.20	\$4.46	\$4.73	\$5.02

If adopted, the proposed rates would become effective January 1, 2022, with additional increases phased-in over the following years, through FY 2026, as outlined in this notice. During this time, the Board will confirm the amount of revenue required during the budget process each year and will continue to look for cost saving opportunities and revenue resources in an effort to potentially reduce or suspend the implementation of the proposed maximum rate increases identified in this notice.

Impact on your bill

For a single family home with a 1" meter that uses a 20 HCFs of water, the monthly bill would decrease by \$9.74. The accompanying graph provides a summary of proposed and existing water bills under various usage levels. A rate calculator is available on the District's website at www.PPHSD.org.

Single Family Residential Customer Impact, 1" Meter



How do you file a protest or participate in the public hearing?

Any property owner of a parcel upon which the water service fees will be imposed or any tenant directly responsible for the payment of water service fees (i.e., a customer of record) may submit a written protest to the proposed increases to the water service fees; provided, however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or customer of record is in opposition to the proposed water service fees; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or customer of record submitting the protest. Written protests may be submitted by mail to the Phelan Piñon Hills Community Services District at: 4176 Warbler Road, Phelan, CA 92371, or in person, or at the Public Hearing (date and time noted above). Regardless of how the written protest is submitted, it must be received by the District prior to the conclusion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the Board Secretary, that the enclosed protest is for the Public Hearing on the Proposed Water Service Fees.

The Board of Directors will hear and consider all written and oral protests to the proposed rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest, submitted prior to the conclusion of the Public Hearing. Upon the conclusion of the Public Hearing, the Board of Directors will consider adoption of the proposed rates for water service described in this notice. If written protests against the proposed rates, as outlined above, are not presented by a majority of property owners or customers of record, the Board of Directors may adopt the proposed rates. If adopted, the proposed rates for the water rates will be in effect beginning January 1, 2022, and be adjusted each July 1 beginning in 2022 and thereafter through July 1, 2025.

If you have any questions about the proposed rate increase, please contact the District at (760) 868-1212 during normal business hours.

Public Meeting Outreach Schedule			
Date	Time	Topic	Location
June 2, 2021	6:00 PM	Approve agreement for rate study	Phelan Community Center & Zoom/Conference Call
September 15, 2021	4:00 PM	Water Rate Workshop	Phelan Community Center & Zoom/Conference Call
September 27, 2021	5:30 PM	Water Rate Workshop	Phelan Community Center & Zoom/Conference Call
October 6, 2021	6:00 PM	Regular Board Meeting; Board authorization to mail Proposition 218 notification	Phelan Community Center & Zoom/Conference Call
December 1, 2021	6:00 PM	Regular Board Meeting; Public Hearing for proposed rate change; adoption of Rate Study; adoption of rate changes	Phelan Community Center & Zoom/Conference Call
January 1, 2022*	Rate change implemented if approved by Board at December 1, 2021, Board Meeting		

*Pending Board approval. Schedule is subject to change.

Visit <https://www.pphcsd.org> for current meeting and workshop schedule.