

NOTICE OF PUBLIC HEARING



NOTICE OF PUBLIC HEARING REGARDING PROPOSED RATE ADJUSTMENTS TO WATER AND WASTEWATER SERVICE FEES

NOTICE IS HEREBY GIVEN THAT the Board of Directors of Jurupa Community Services District ("JCSD") will conduct a Public Hearing on March 9th, 2020 to consider the adoption of rate adjustments to JCSD's water and wastewater service fees. Details of the date, time and location of the Public Hearing are set forth below.

Public Hearing Date and Time: March 9th, 2020 at 6:00 p.m.

Public Hearing Location: Jurupa Community Services District
Board Room
11201 Harrel Street
Jurupa Valley, CA 91752

This notice is being provided to property owners and customers who have been identified as water and/or wastewater customers within the JCSD service area.

This notice describes the following:

- **Reasons and basis for the proposed water and wastewater rate adjustments**
- **Proposed rate adjustments for water and wastewater service fees**
- **Impact of the proposed rate adjustments on customer bills**

Why Rate Adjustments are Necessary

Water

JCSD provides safe, clean water for domestic consumption and other uses to more than 32,200 customer accounts within the District’s service area. Over the past three years, JCSD has produced and delivered an average of 33.4 million HCF (or “hundred cubic feet,” which is equal to 748 gallons) of water through approximately 457 miles of pipeline. Operation, maintenance and improvement of the District’s water system are funded from water user rates and charges. Due to increases in water supply costs, the need to develop new water supply sources, and the need to replace aging infrastructure, the District must increase water system revenues over the next five years to ensure that the water system remains fiscally viable while providing safe and reliable water service.

The proposed adjustments in rates are based on a lengthy and careful review of internal and external cost drivers that affect the District. Revenues must be adequate to recover costs, which must be equitably allocated, and rates must be fair and in proportion to the services received by each customer class. The proposed rate study models the costs of operating and maintaining the utility system for the next five years.

The planned revenue adjustments outlined in this notice provide a phased approach to meeting the water system funding needs. The phased approach is designed to minimize the impact on rate payers. The proposed water rate structures will establish new tier breakpoints for single family residential customers and provide uniform rate structures for all other classes to align each class with its cost of service. Adjustments were made to the tiered water rate structure to ensure the rates directly reflect the cost of the District's (less expensive) groundwater and (more expensive) purchased water.

The planned rate adjustments will increase overall water system revenue over the next five years as follows:

Table 1: Proposed Water Revenue Increases

	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Water Revenue Increase	0.0%	3.0%	3.0%	3.0%	3.0%

Wastewater

JCSD provides wastewater service to single family, multi-family, institutional, commercial and industrial accounts throughout the District. The proposed rate adjustments are based on the number of “equivalent dwelling units” receiving service. JCSD defines an equivalent dwelling unit (“EDU”) as the wastewater generated by an average single family residential customer in gallons per day. In fiscal year 2020 (“FY 2020”) JCSD is projected to serve 40,855 EDUs. Identical to the water system, JCSD’s wastewater system is supported by wastewater rates and fees as well as other available revenues. JCSD has experienced increases in contracted

wastewater treatment costs and these increases are expected to continue due to operational factors such as chemical and utility costs as well as regulatory requirements. Additionally, over the coming years JCSD will be required to fund several significant wastewater system capital projects as well as ongoing repair and replacement of the existing system. The proposed rate adjustments for wastewater service outlined in this notice will increase overall wastewater system revenues so that JCSD can meet the wastewater system funding requirements.

The proposed rate adjustments will increase overall wastewater system revenue over the next five years as follows:

Table 2: Proposed Wastewater Revenue Increases

	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Wastewater Revenue Increase	0.0%	4.0%	4.0%	4.0%	4.0%

How Rates are Determined

The Board of Directors commissioned a comprehensive rate study to determine the annual cash needs of the water and wastewater systems. Rate studies are a best practice for determining utility rates to ensure that rates are fair, equitable, and tied to the demand customers place on the utility system. The District retained the professional consulting firm of Raftelis to develop a financial plan that guides proposed adjustments in rates for water and wastewater service over the next five years, to ensure the District can continue to provide high quality water and wastewater services at the best value for its customers. The study calculated how much revenue would be needed to fund operating, capital, debt and reserve contributions for both the water and wastewater systems. The comprehensive rate study also considered increasing water costs, increasing regulatory requirements for wastewater discharge and replacement of aging infrastructure.

The rates have been determined according to industry standard cost of service methodologies as well as the cost of service requirements of the State of California. The proposed rates will appropriately recover costs from each water and wastewater customer class, fund the District’s replacement capital programs and maintain authorized reserves for each utility.

Proposed Rates

Water

Single Family, Multi-Family, Institutional, Commercial and Industrial Water Rates

The proposed water rates for single-family residential, multi-family residential, institutional, commercial and industrial customers include: 1) a fixed monthly service charge based on meter size; and, 2) a variable volumetric charge measured in HCF for the quantity of water delivered,

separated into four different tiers for single-family residential customers and uniform rate structures for all other classes.

Table 3: Proposed Fixed Monthly Water Service Charges Based on Size of Meter

Meter Size	Current Charge	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
5/8"	\$32.51	\$38.19	\$39.34	\$40.53	\$41.75	\$43.01
3/4"	\$38.82	\$38.19	\$39.34	\$40.53	\$41.75	\$43.01
1"	\$64.79	\$58.89	\$60.66	\$62.48	\$64.36	\$66.30
1-1/2"	\$132.03	\$110.66	\$113.98	\$117.40	\$120.93	\$124.56
2"	\$207.28	\$172.77	\$177.96	\$183.30	\$188.80	\$194.47
3"	\$620.89	\$369.47	\$380.56	\$391.98	\$403.74	\$415.86
4"	\$1,218.56	\$659.35	\$679.14	\$699.52	\$720.51	\$742.13
6"	\$1,985.44	\$1,352.98	\$1,393.57	\$1,435.38	\$1,478.45	\$1,522.81
8"	\$2,225.51	\$2,905.88	\$2,993.06	\$3,082.86	\$3,175.35	\$3,270.62
10"	\$2,831.43	\$4,355.25	\$4,485.91	\$4,620.49	\$4,759.11	\$4,901.89

Table 4: Proposed Tiered HCF Rates Single-Family Residential

Current Tier Structure	Current Rates	Proposed Tier Structure	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Tier 1: 0 – 20 HCF	\$1.52	Tier 1: 0-12 HCF	\$1.06	\$1.10	\$1.14	\$1.18	\$1.22
Tier 2: 21 – 50 HCF	\$1.93	Tier 2: 13-20 HCF	\$2.67	\$2.76	\$2.85	\$2.94	\$3.03
Tier 3: 51 – 100 HCF	\$2.22	Tier 3: 21-30 HCF	\$3.14	\$3.24	\$3.34	\$3.45	\$3.56
Tier 4: Over 100 HCF	\$2.48	Tier 4: Over 30 HCF	\$3.34	\$3.45	\$3.56	\$3.67	\$3.79

Table 5: Proposed Uniform HCF Rate for Multi-Family, Institutional, Commercial & Industrial Customers

Current	Proposed Rate Structure	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Tiers shown in Table 4	Uniform Rate per HCF	\$1.95	\$2.01	\$2.08	\$2.15	\$2.22

Potable Water Irrigation Rate

The proposed water rate for potable irrigation accounts includes the fixed monthly service charge shown in Table 3 and the following metered usage rates:

Table 6: Proposed Uniform Potable Water Irrigation Rate

	Current Rate	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Potable Rate per HCF	\$2.23	\$2.05	\$2.12	\$2.19	\$2.26	\$2.33

Non-Potable Water Irrigation Rate

The proposed water rate for non-potable irrigation accounts includes the fixed monthly service charge shown in Table 3 and the following metered usage rate:

Table 7: Proposed Uniform Non-Potable Water Irrigation Rate

	Current Rate	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Non-Potable Rate per HCF	\$1.06	\$1.32	\$1.36	\$1.41	\$1.46	\$1.51

Hydrant (Construction) Water Rate

The District provides water service to temporary hydrant meters in order to accommodate the need for construction water within the District. Hydrant meters will pay the same fixed monthly service charge shown in Table 3 and the following metered usage rate:

Table 8: Proposed Uniform Hydrant (Construction) Rate

Current	Proposed Rate Structure	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Tiers shown in Table 4	Uniform Rate per HCF	\$3.34	\$3.45	\$3.56	\$3.67	\$3.79

Private Fire Protection Rates

The District provides private fire protection to customers throughout its service area. These accounts are for emergency use only to provide fire suppression. The comprehensive rate study used industry standard methodology to calculate the cost of providing this standby service and the appropriate monthly charge.

Table 9: Proposed Private Protection Monthly Fixed Service Charge

	Current Rate	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Private Fire Protection Charge	\$29.00	\$31.93	\$32.90	\$33.89	\$34.91	\$35.96

The unauthorized use of private fire lines for any purpose other than fire protection is a violation of the District’s rules and regulations, will result in monetary penalties as prescribed by ordinance, and are not part of the rates and charges for authorized service.

Wastewater

Single Family, Multi Family, Institutional, Commercial and Industrial Wastewater Rates

The proposed wastewater rates for single family, multi-family, institutional, commercial and industrial customers include a fixed monthly service charge based on the number of EDUs served and a separate variable charge based on the volume of water delivered to the property. The variable charge will be based on 100% of monthly water consumption capped at 8 HCF per EDU per month for single-family, multi-family and institutional customers, which represents the average winter wastewater flows District-wide to the wastewater treatment plant facilities. For those customers, it is assumed that water consumption in excess of 8 HCF per EDU per month is applied to outdoor irrigation, and therefore does not result in increased wastewater flows. All zones will be charged the same monthly service charge per EDU, which includes a capital repair and replacement component.

Table 10: Proposed Fixed Monthly Wastewater Service Charge

	Current	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Service charge per EDU	\$25.90	\$22.80	\$23.72	\$24.67	\$25.66	\$26.69

Table 11: Proposed Wastewater HCF Charge (capped at 8 HCF per EDU per month for Single Family, Multi Family and Institutional Customers)

	Current	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Rate per HCF	\$1.64	\$2.08	\$2.17	\$2.26	\$2.36	\$2.46

Commercial and Industrial customers will be charged the same variable charge rates as those applied to single family residential customers, but their wastewater usage will not be capped at 8 HCF and instead will be billed on actual metered water use. This study does not include any

proposed changes to the wastewater rate structure for Industrial customers that discharge to the Inland Empire Brine Line (“IEBL”) collection system.

Public Hearing on Proposed Rate Adjustments

As noted above, a Public Hearing will be held on March 9th, 2020 at 6:00 p.m. to consider the proposed adjustments to the District’s rates for water and wastewater service.

Any property owner or any tenant directly responsible for the payment of water and/or wastewater fees (customer of record) may submit a written protest to the proposed rate adjustments. Only one protest will be counted per identified parcel.

A written protest must:

1. Identify which rate the property owner or customer is protesting;
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 submitting the protest.

Any written protest may be submitted by mail or in person to the Secretary of JCSD at 11201 Harrel Street, Jurupa Valley, California 91752, or at the Public Hearing, so long as it is received prior to the conclusion of the Public Hearing. **Any protest submitted via email or other electronic means will not be accepted.** Please state on the front of the envelope of any protest, whether mailed or submitted in person to the JCSD Secretary, **Attention: Water and Wastewater Rate Adjustments.**

The Board of Directors will hear and consider all written and oral protests to the proposed rate adjustments at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests under Proposition 218 unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the Board of Directors will consider adopting the proposed rates. If written protests against the proposed rates do not represent a majority of the parcels affected by the proposed rates, the Board of Directors will be legally authorized to adopt the proposed rates. If approved, the rate changes will become effective with invoices for service beginning on or after March 10, 2020.

For further details regarding the basis and rationale for the proposed rate adjustments for water and wastewater service, or for any questions you may have regarding the proposed water and wastewater fees that will be imposed on your parcel, please contact JCSD via e-mail at info@jcsd.us or contact JCSD’s Finance Office at (951) 685-7434. Please note on any written communication: Attention: Water and Wastewater Rate Adjustments.

APPENDIX A

**EXAMPLES OF IMPACT OF
PROPOSED WATER RATE ADJUSTMENTS EFFECTIVE MARCH 10, 2020**

Sample Single-Family Residential Monthly Water Bills (3/4" Meter)

Monthly Usage in HCF	Service Charge	HCF Charge	Current Total	Proposed FY 2020 Total	Monthly \$ Change	Monthly % Change
1	\$38.82	\$1.52	\$40.34	\$39.25	-\$1.09	-2.7%
2	\$38.82	\$3.04	\$41.86	\$40.31	-\$1.55	-3.7%
3	\$38.82	\$4.56	\$43.38	\$41.37	-\$2.01	-4.6%
4	\$38.82	\$6.08	\$44.90	\$42.43	-\$2.47	-5.5%
5	\$38.82	\$7.60	\$46.42	\$43.49	-\$2.93	-6.3%
6	\$38.82	\$9.12	\$47.94	\$44.55	-\$3.39	-7.1%
7	\$38.82	\$10.64	\$49.46	\$45.61	-\$3.85	-7.8%
8	\$38.82	\$12.16	\$50.98	\$46.67	-\$4.31	-8.5%
9	\$38.82	\$13.68	\$52.50	\$47.73	-\$4.77	-9.1%
10	\$38.82	\$15.20	\$54.02	\$48.79	-\$5.23	-9.7%
11	\$38.82	\$16.72	\$55.54	\$49.85	-\$5.69	-10.2%
12	\$38.82	\$18.24	\$57.06	\$50.91	-\$6.15	-10.8%
13	\$38.82	\$19.76	\$58.58	\$53.58	-\$5.00	-8.5%
14	\$38.82	\$21.28	\$60.10	\$56.25	-\$3.85	-6.4%
15	\$38.82	\$22.80	\$61.62	\$58.92	-\$2.70	-4.4%
16	\$38.82	\$24.32	\$63.14	\$61.59	-\$1.55	-2.5%
17	\$38.82	\$25.84	\$64.66	\$64.26	-\$0.40	-0.6%
18	\$38.82	\$27.36	\$66.18	\$66.93	\$0.75	1.1%
19	\$38.82	\$28.88	\$67.70	\$69.60	\$1.90	2.8%
20	\$38.82	\$30.40	\$69.22	\$72.27	\$3.05	4.4%
21	\$38.82	\$32.33	\$71.15	\$75.41	\$4.26	6.0%
22	\$38.82	\$34.26	\$73.08	\$78.55	\$5.47	7.5%
23	\$38.82	\$36.19	\$75.01	\$81.69	\$6.68	8.9%
24	\$38.82	\$38.12	\$76.94	\$84.83	\$7.89	10.3%
25	\$38.82	\$40.05	\$78.87	\$87.97	\$9.10	11.5%
26	\$38.82	\$41.98	\$80.80	\$91.11	\$10.31	12.8%

APPENDIX B

**EXAMPLES OF IMPACT OF
PROPOSED WASTEWATER RATE ADJUSTMENTS EFFECTIVE MARCH 10, 2020**

Sample Single-Family Residential Monthly Wastewater Bills (3/4" Meter, 1 EDU)

Monthly Usage in HCF	Service Charge	HCF Charge	Current Total	Proposed FY 2020 Total	Monthly \$ Change	Monthly % Change
1	\$25.90	\$1.64	\$27.54	\$24.88	-\$2.66	-9.7%
2	\$25.90	\$3.28	\$29.18	\$26.96	-\$2.22	-7.6%
3	\$25.90	\$4.92	\$30.82	\$29.04	-\$1.78	-5.8%
4	\$25.90	\$6.56	\$32.46	\$31.12	-\$1.34	-4.1%
5	\$25.90	\$8.20	\$34.10	\$33.20	-\$0.90	-2.6%
6	\$25.90	\$9.84	\$35.74	\$35.28	-\$0.46	-1.3%
7	\$25.90	\$11.48	\$37.38	\$37.36	-\$0.02	-0.1%
8	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
9	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
10	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
11	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
12	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
13	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
14	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
15	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
16	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
17	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
18	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
19	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
20	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
21	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
22	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
23	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
24	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
25	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%
26	\$25.90	\$13.12	\$39.02	\$39.44	\$0.42	1.1%