



ROWLAND WATER DISTRICT

Notice of Public Hearing

Proposed changes to water rates and service charges



DATE OF HEARING

Tuesday, November 9, 2021, at 5 p.m.

Rowland Water District

3021 Fullerton Road, Rowland Heights, CA 91748

TO ATTEND REMOTELY ON ZOOM:

Log in: <https://us02web.zoom.us/j/8759899861>

By phone: (669) 900-6833 | **Passcode:** 8759899861#

IMPORTANT INFORMATION ABOUT YOUR WATER RATES

The Board of Directors of the Rowland Water District invites the public to attend a public hearing to be held at the time, date and location specified above to consider a five-year schedule of changes to water and recycled water rates and charges, and drought rates that may be implemented during water shortages. If adopted, the new water rates would take effect on **January 1, 2022**, and would be adjusted each **January 1 through January 1, 2026**. Each element of the proposed action is explained in this document.

Under California state law, all property owners and customers of record may submit a written protest to the proposed rate changes. Only one protest per parcel is permitted. Please refer to the "How Can I Participate?" section of this document for instructions on submitting a formal written protest against the proposed action. All written protests will be verified. You may also appear at the public hearing at the date and time specified above. More information regarding the District's rates is available online at: www.rowlandwater.com.

Why have I received this notice?

Rowland Water District is considering a five-year schedule of changes to water rates and charges that could affect your monthly bill. The District is proposing changes to:



Potable Water Commodity Charges



Recycled Water Commodity Charges



Fixed Service Charges



Zonal Surcharges



Fire Service Charges



Drought Rates



Customers who may be impacted by these changes are receiving this notice and are invited to provide feedback that the Board of Directors will consider prior to voting on the proposal.

Online Bill Estimator

To determine how the proposed rate changes could affect your monthly bill, check out our online Bill Estimator Tool at www.rowlandwater.com/water-bill-calculator

More information regarding the District's rates is available online at: www.rowlandwater.com

WHY ARE RATE CHANGES NECESSARY?

The District is committed to providing the highest quality drinking water and recycled water at the lowest possible cost for our customers. To meet this commitment, the District engaged NBS to perform an independent cost-of-service study and determine the revenue required to maintain current service levels. The study demonstrates what it costs the District to provide water service and the appropriate rates to fairly and appropriately allocate the costs of providing water to our customers.

The cost-of-service analysis identified these factors that necessitate the proposed rates and charges:



RIISING COSTS – The cost of operating the water system has increased. Rowland is paying more for electricity, treatment chemicals and water imported from Northern California and the Colorado River.



FINANCIAL STABILITY – The cost-of-service study determined that without a rate adjustment, the District is projected to run about a \$977,000 deficit starting in July 2023. The proposed rates would allow the District to fully fund operating expenses and working capital, maintain a good credit rating, and meet reserve requirements.



SYSTEM MAINTENANCE – Behind Rowland's 24/7 service is a maintenance program that never stops. The District must replace older valves, service lines and meters to reduce service disruptions and minimize ongoing maintenance costs. This work is necessary to ensure water is available whenever you want it.

Did you know?

As a public agency, Rowland Water District cannot earn a profit from the services it provides and must charge no more than the actual costs associated with providing services to its customers.

Drought Update



Drought conditions are intensifying across California following two years with well-below-average rain and snow fall.

In July, Governor Gavin Newsom called on Californians to voluntarily reduce their water use by 15% compared to 2020 levels to protect water reserves and to help maintain critical flows for fish and wildlife wherever possible.

The governor urged simple water-saving actions such as reducing landscape irrigation, running dishwashers and washing machines only when full, finding and fixing leaks, installing water-efficient showerheads and taking shorter showers.

It is possible that additional, mandatory measures may be needed if conditions worsen.

Rowland Water District has plans in place to address water-supply emergencies. Our Urban Water Management Plan and Drought Contingency Plan identify local efforts and policies that will ensure continued supply reliability for our customers.





RESIDENTIAL REBATE INFORMATION

With California in the midst of another serious drought, it is more important than ever to fine-tune your water efficiency efforts. Rowland Water has a number of programs in place to help customers save water.

Through a partnership with our wholesaler, Metropolitan Water District of Southern California, customers are eligible for rebates on water-saving devices and incentives for replacing grass with low-water landscaping.



INDOOR

- ✓ High-Efficiency Clothes Washer
- ✓ Premium High-Efficiency Toilet



OUTDOOR

- ✓ Landscape Transformation Program
- ✓ Weather-Based Irrigation Controllers
- ✓ Rotating Sprinkler Nozzles
- ✓ Rain Barrels & Cisterns
- ✓ Soil Moisture Sensor System



Because funding is limited, rebates will be issued on a first-come, first-served basis. You must purchase a qualifying device and apply online. Please call the number below if you do not have access to a computer.

HOW WERE THE PROPOSED RATES CALCULATED?

The proposed rates were calculated to recover the costs of providing water service, and to proportionately allocate those costs on a parcel basis among the various customer classes. The water rate structure has three customer classes—Single-Family Residential Customers, All Other Customers (commercial, industrial, governmental, institutional, and multi-family residential), and Recycled Water Customers.

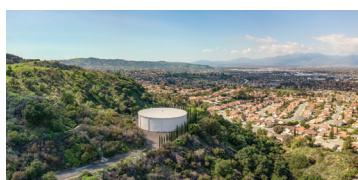
The District's rate structure has five components—a Fixed Service Charge, a Potable Water Commodity Charge, a Recycled Water Commodity Charge, a Zonal Surcharge, and a Fire Service Charge. As further described in this notice, the District is also proposing Drought Rates that will replace the rates applicable to its Potable Water Commodity Charge during declared water shortages.



The **FIXED SERVICE CHARGE** is a fixed monthly charge established on the basis of the size of the meter serving a property and is calculated to recover a portion of the District's fixed costs of operating and maintaining the reliability of the water system, and delivering water. These costs include maintenance, repair and replacement of infrastructure, water quality testing, meter reading, customer billing and collection, debt service payments and employee salaries. The rates for the Fixed Service Charge are the same for both potable water customers and recycled water customers.



The **POTABLE WATER COMMODITY CHARGE** and the **RECYCLED WATER COMMODITY CHARGE** are variable charges imposed per unit of delivered potable water or recycled water, with one unit equal to one hundred cubic feet (hcf), or 748 gallons. The rates for these charges are calculated to recover a portion of the District's fixed costs and variable costs of providing potable and recycled water service, including the cost of purchasing and producing water, electricity and treatment chemicals, as well as replacing infrastructure. The amount of the Potable Water Commodity Charge and Recycled Water Commodity Charge imposed varies each month depending on the number of units (hcf) of potable or recycled water a customer uses during the billing period.



The **ZONAL SURCHARGE** is a variable charge imposed per unit of potable water delivered to customers located in higher elevations. It is in addition to the Potable Water Commodity Charge and is calculated to recover the additional costs of supplying potable water to these customers, including the energy and maintenance costs of the pumping stations used to pump water to higher elevations within certain identified pressure zones of the District's retail water service area.



The **FIRE SERVICE CHARGE** is a fixed monthly service charge that is calculated on the basis of the size of the meter supplying hydrants or private fire suppression facilities. It is designed to recover the cost of providing water for private fire protection services, including defraying the additional overhead costs of serving and maintaining this infrastructure. The Fire Service Charge is imposed only on properties that, as a condition of extending or initiating water service, are required to install a private fire suppression system, or have requested the delivery of water for the purpose of private fire service protection.

The proposed adjustments will allow the District to provide safe, reliable drinking and recycled water to its customers. Absent critical rate increases, the District would experience budget shortfalls beginning in 2023.

The study supporting the financial plan and the proposed rates is available for review at the District's offices, 3021 Fullerton Road, Rowland Heights, CA, by appointment, Monday through Thursday, 7:00 a.m. to 4:30 p.m., and alternating Fridays, 7:00 a.m. to 3:30 p.m., excluding holidays.





PROPOSED RATES

The current and proposed rate structure for the Potable Water Commodity Charge for Single-Family Residential Customers has three tiers which impose higher rates as the level of consumption increases. The tiers are designed to recover the incremental costs to the District of serving more water to those who place higher demands and greater burdens on the District's water system and resources, such as acquiring more expensive sources of water supply. The proposed maximum rates reflect a three-tiered rate structure based on monthly water usage per one hundred cubic feet (hcf) which includes a Zonal Charge covering the energy and maintenance costs to pump water to each elevation zone above Zone I. (1 hcf = 748 gallons)

Due to the varying consumption needs among All Other Customers, the Potable Water Commodity Charge is a uniform rate per hcf of water delivered during a billing period. The current and proposed maximum rates and effective dates for the Fixed Service Charge and Potable Water Commodity Charge for All Other Customers are set forth in the tables below.

Proposed Monthly Fixed Service Charge (POTABLE & RECYCLED)

Water Rate Schedule	Current Monthly Service Charge	Proposed Monthly Service Charge				
		Effective 1/1/22	Effective 1/1/23	Effective 1/1/24	Effective 1/1/25	Effective 1/1/26
Monthly Fixed Service Charge - Standard Meters:						
5/8 inch	\$42.58	\$43.32	\$45.05	\$46.40	\$47.80	\$49.23
3/4 inch	\$42.58	\$43.32	\$45.05	\$46.40	\$47.80	\$49.23
1 inch	\$42.58	\$43.32	\$45.05	\$46.40	\$47.80	\$49.23
1.5 inch	\$201.67	\$198.78	\$206.73	\$212.93	\$219.32	\$225.90
2 inch	\$320.99	\$315.38	\$327.99	\$337.83	\$347.96	\$358.40
3 inch	\$639.16	\$626.30	\$651.35	\$670.89	\$691.01	\$711.75
4 inch	\$997.12	\$976.08	\$1,015.13	\$1,045.58	\$1,076.95	\$1,109.25
6 inch	\$1,991.43	\$1,947.71	\$2,025.62	\$2,086.39	\$2,148.98	\$2,213.45
8 inch	\$3,184.60	\$3,113.66	\$3,238.21	\$3,335.36	\$3,435.42	\$3,538.48
10 inch	\$8,355.02	\$8,166.13	\$8,492.77	\$8,747.55	\$9,009.98	\$9,280.28
12 inch	\$10,542.50	\$10,303.71	\$10,715.86	\$11,037.33	\$11,368.45	\$11,709.50
Monthly Fixed Service Charge - Fire Service Meters*:						
1 inch	\$3.58	\$6.46	\$6.72	\$6.92	\$7.13	\$7.34
2 inch	\$9.04	\$10.87	\$11.30	\$11.64	\$11.99	\$12.35
3 inch	\$16.44	\$18.48	\$19.22	\$19.80	\$20.39	\$21.00
4 inch	\$30.07	\$32.51	\$33.81	\$34.83	\$35.87	\$36.95
6 inch	\$65.12	\$68.58	\$71.33	\$73.47	\$75.67	\$77.94
8 inch	\$111.85	\$116.68	\$121.35	\$124.99	\$128.74	\$132.60
10 inch	\$174.17	\$180.81	\$188.04	\$193.68	\$199.49	\$205.48
12 inch	\$209.22	\$216.88	\$225.56	\$232.32	\$239.29	\$246.47

* Fire Service - Service Charge:

Fire Protection costs are those costs associated with providing sufficient capacity in the system for fire meters and other operations and maintenance costs of providing water to properties for private fire service protection.

Recycled

The proposed maximum rates reflect a uniform charge per one hundred cubic feet (hcf). 1 hcf = 748 gallons. Recycled Water Customers also pay a monthly Fixed Service Charge based on the size of the meter serving their property.

Rate Type	Current Rates	Proposed Rates				
		Effective 1/1/22	Effective 1/1/23	Effective 1/1/24	Effective 1/1/25	Effective 1/1/26
Uniform Rate	\$2.33	\$2.39	\$2.51	\$2.63	\$2.77	\$2.90



PROPOSED POTABLE WATER COMMODITY CHARGES



Cost Per hcf of Water Consumed

Pressure Zone	Allocation	Current Rate (per hcf)	Proposed Rates (per hcf)				
			Effective 1/1/22	Effective 1/1/23	Effective 1/1/24	Effective 1/1/25	Effective 1/1/26
Single-Family Residential*							
Zone 1	1–8 hcf	\$3.11	\$3.18	\$3.31	\$3.41	\$3.51	\$3.62
	9–15 hcf	\$3.38	\$3.59	\$3.73	\$3.84	\$3.96	\$4.08
	16+ hcf	\$4.62	\$4.66	\$4.84	\$4.99	\$5.14	\$5.29
Zone 2	1–8 hcf	\$3.29	\$3.34	\$3.47	\$3.57	\$3.68	\$3.80
	9–15 hcf	\$3.56	\$3.74	\$3.89	\$4.01	\$4.13	\$4.25
	16+ hcf	\$4.80	\$4.81	\$5.00	\$5.15	\$5.31	\$5.47
Zone 3	1–8 hcf	\$3.48	\$3.47	\$3.61	\$3.72	\$3.84	\$3.96
	9–15 hcf	\$3.75	\$3.88	\$4.03	\$4.16	\$4.28	\$4.42
	16+ hcf	\$4.99	\$4.95	\$5.15	\$5.30	\$5.47	\$5.63
Zone 4	1–8 hcf	\$4.01	\$3.82	\$3.97	\$4.10	\$4.23	\$4.36
	9–15 hcf	\$4.28	\$4.22	\$4.39	\$4.53	\$4.67	\$4.82
	16+ hcf	\$5.51	\$5.29	\$5.50	\$5.68	\$5.85	\$6.04
Zone 5	1–8 hcf	\$4.36	\$4.02	\$4.18	\$4.31	\$4.45	\$4.60
	9–15 hcf	\$4.63	\$4.42	\$4.60	\$4.75	\$4.90	\$5.05
	16+ hcf	\$5.87	\$5.49	\$5.71	\$5.89	\$6.08	\$6.27
Zone 6	1–8 hcf	\$4.89	\$4.29	\$4.46	\$4.61	\$4.76	\$4.91
	9–15 hcf	\$5.16	\$4.69	\$4.88	\$5.04	\$5.20	\$5.37
	16+ hcf	\$6.40	\$5.76	\$5.99	\$6.19	\$6.38	\$6.59
Commercial and Multi-Family Residential*							
Zone 1	Uniform Rate	\$3.47	\$3.60	\$3.74	\$3.85	\$3.97	\$4.09
Zone 2	Uniform Rate	\$3.65	\$3.75	\$3.90	\$4.02	\$4.14	\$4.27
Zone 3	Uniform Rate	\$3.84	\$3.89	\$4.04	\$4.17	\$4.30	\$4.43
Zone 4	Uniform Rate	\$4.37	\$4.23	\$4.40	\$4.54	\$4.68	\$4.83
Zone 5	Uniform Rate	\$4.72	\$4.43	\$4.61	\$4.76	\$4.91	\$5.07
Zone 6	Uniform Rate	\$5.25	\$4.70	\$4.89	\$5.05	\$5.21	\$5.38

* Zonal Surcharges:

The rates included in this table are composed of the Potable Water Commodity Charge, and the applicable Zonal Surcharge. The Zonal Surcharges are in addition to the standard tiered or uniform Potable Water Commodity Charges for Single-Family Residential, Commercial and Multi-family Residential Customers.

See detailed zonal map on the District website.

UNDERSTANDING DROUGHT RATES

As we saw during the last severe drought, it may be necessary due to requirements from State water regulators or local water availability to implement mandatory conservation measures to protect and extend the water supply. To ensure Rowland Water District can fulfill this requirement when necessary, and continue meeting our customers' water needs reliably and affordably, the District is proposing drought rates. These rates may be implemented by the Board of Directors during declared drought levels, state-mandated reductions in the level of potable water usage, or other natural disasters or events that result in a water shortage and the need to require reductions in water usage, in accordance with the District's Water Shortage Contingency Plan.

The proposed drought rates would replace the rates for the Potable Water Commodity Charge then in effect at the time the drought level is declared. The proposed drought rates are a tool the District may use to:



Incidentally provide customers with an incentive to save water



Ensure compliance with all local and/or state water conservation mandates



Collect sufficient revenue to continue providing safe and reliable potable water service

The District's Water Shortage Contingency Plan has six levels of water use reductions and restrictions. These six levels, along with the estimated consumption reductions resulting from additional conservation restrictions implemented at each level, are as follows:

LEVEL 1 - Requires that customers reduce their usage by up to 10%

LEVEL 2 - Requires that customers reduce their usage by up to 20%

LEVEL 3 - Requires that customers reduce their usage by up to 30%

LEVEL 4 - Requires that customers reduce their usage by up to 40%

LEVEL 5 - Requires that customers reduce their usage by up to 50%

LEVEL 6 - Requires that customers reduce their usage by greater than 50%



Proposed Drought Rates

DROUGHT RATE ZONE 1*

Level	Proposed Allocation	Proposed Rates (per hcf)					
		Current Rate	Effective 1/1/22	Effective 1/1/23	Effective 1/1/24	Effective 1/1/25	Effective 1/1/26
Level 1: 10% Conservation Goal	1-8 hcf	\$3.16	\$3.23	\$4.27	\$5.30	\$6.33	\$7.36
	9-15 hcf	\$3.47	\$3.70	\$4.74	\$5.77	\$6.80	\$7.83
	16+ hcf	\$5.20	\$5.19	\$6.23	\$7.26	\$8.29	\$9.32
	Uniform	\$3.56	\$3.69	\$4.73	\$5.76	\$6.79	\$7.82
Level 2: 20% Conservation Goal	1-8 hcf	\$3.22	\$3.29	\$4.33	\$5.36	\$6.39	\$7.42
	9-15 hcf	\$3.60	\$3.85	\$4.89	\$5.92	\$6.95	\$7.98
	16+ hcf	\$6.13	\$6.02	\$7.06	\$8.09	\$9.12	\$10.15
	Uniform	\$3.67	\$3.81	\$4.85	\$5.88	\$6.91	\$7.94
Level 3: 30% Conservation Goal	1-8 hcf	\$3.30	\$3.37	\$4.41	\$5.44	\$6.47	\$7.50
	9-15 hcf	\$3.79	\$4.07	\$5.11	\$6.14	\$7.17	\$8.20
	16+ hcf	\$7.75	\$7.42	\$8.46	\$9.49	\$10.52	\$11.55
	Uniform	\$3.82	\$3.96	\$5.00	\$6.03	\$7.06	\$8.09
Level 4: 40% Conservation Goal	1-8 hcf	\$3.40	\$3.48	\$4.52	\$5.55	\$6.58	\$7.61
	9+ hcf	\$5.95	\$6.17	\$7.21	\$8.24	\$9.27	\$10.30
	Uniform	\$4.01	\$4.17	\$5.21	\$6.24	\$7.27	\$8.30
Level 5: 50% Conservation Goal	1-8 hcf	\$3.55	\$3.62	\$4.66	\$5.69	\$6.72	\$7.75
	9+ hcf	\$7.77	\$7.95	\$8.99	\$10.02	\$11.05	\$12.08
	Uniform	\$4.28	\$4.45	\$5.49	\$6.52	\$7.55	\$8.58
Level 6: More than 50% Conservation Goal	1-8 hcf	\$3.78	\$3.84	\$4.88	\$5.91	\$6.94	\$7.97
	9+ hcf	\$12.09	\$11.98	\$13.02	\$14.05	\$15.08	\$16.11
	Uniform	\$4.68	\$4.88	\$5.92	\$6.95	\$7.98	\$9.01

ADDITIONAL COST PER HCF OF WATER CONSUMED

Zonal Surcharges	Current Rates	Proposed Rates				
		Effective 1/1/22	Effective 1/1/23	Effective 1/1/24	Effective 1/1/25	Effective 1/1/26
Zone 2	\$0.18	\$0.15	\$0.16	\$0.16	\$0.17	\$0.18
Zone 3	\$0.37	\$0.29	\$0.30	\$0.31	\$0.33	\$0.34
Zone 4	\$0.90	\$0.63	\$0.66	\$0.69	\$0.71	\$0.74
Zone 5	\$1.25	\$0.83	\$0.87	\$0.90	\$0.94	\$0.98
Zone 6	\$1.78	\$1.11	\$1.15	\$1.20	\$1.24	\$1.29

*The above drought rates do not include the Zonal Surcharges. Zonal Surcharges will be added to the proposed drought rates for Single-Family, Commercial and Multi-Family Residential. Please see table to the right for Zonal Surcharges.

HOW WOULD THIS IMPACT MY BILL?

For single-family **residential customers** with a 5/8-inch, 3/4-inch, or 1-inch meter and using 13 units of water, the average monthly bill would increase by **\$2.35** if the proposed rates are implemented in 2022. This amount considers variations in winter and summer use. **Commercial customers** with a 2-inch meter who use 99 units of water would see an average increase of **\$7.26** on their monthly bill in 2022.

Customer Class, Meter Size, Average Monthly Use	Current	Proposed Rates				
		Effective 1/1/22	Effective 1/1/23	Effective 1/1/24	Effective 1/1/25	Effective 1/1/26
Single-Family Residential, 5/8" meter, 13 hcf	\$84.36	\$86.71	\$90.18	\$92.88	\$95.68	\$98.59
Commercial, 2" meter, 99 hcf	\$664.52	\$671.78	\$698.25	\$718.98	\$740.99	\$763.31

HOW CAN I PARTICIPATE?



Call, Visit or Log In. The Water Rate Study and more information on the proposed water rates and charges are available for review at the District's office, and on our website: www.rowlandwater.com. You may reach us at **(562) 697-1726**.



Write. Any record owner of a parcel upon which the water rates and charges are proposed to be imposed and any tenant directly liable for the payment of water rates and charges (i.e., a customer of record who is not a property owner) may submit a written protest to the proposed rate adjustments and increases to the District's proposed water rates adjustments; however, only one protest will be counted per identified parcel.

Any written protest must:

1. State that the identified property owner or tenant is opposed to the proposed rate adjustments;
2. Provide the location of the identified parcel (by street address, assessor's parcel number, or customer account number); and
3. Include the name and signature of the property owner or tenant submitting the protest.

Written protests may be mailed or delivered in-person to Rowland Water District, Attention: Secretary of the Board, 3021 Fullerton Road, Rowland Heights, CA 91748, and may be deposited in the payment deposit box.



Attend the Public Hearing. Written protests may also be submitted to the District at the Public Hearing to be held on **Tuesday, November 9, 2021, at 5 p.m.** in the Rowland Water District Board Room, 3021 Fullerton Road, Rowland Heights, CA. All members of the public will have an opportunity to speak and give testimony regarding the proposed water rate adjustments at the Public Hearing; however, only written protests will be counted for purposes of determining whether a majority protest exists. All written protests, whether mailed, or delivered in person or at the Public Hearing, must be received before the conclusion of the public comment portion of the Public Hearing.



Public Hearing Process: At the time of the Public Hearing, the Board will hear all oral comments and consider all written protests to the proposed rate adjustments. Any protest submitted by email or other electronic means will not be accepted as a valid written protest.

Any oral comments made at the public hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the hearing, the Board will tabulate the protests and consider the adoption of the proposed rates and charges. If written protests against the proposed rates and charges as outlined in this notice are not presented by a majority of the owners or customers of the identified parcels upon which the rates and charges are proposed to be imposed, the Board will be authorized to adopt the proposed rates and charges. If adopted as proposed, the increased rates and charges would become effective for services provided on and after January 1, 2022, and the scheduled maximum rates may be implemented annually on January 1 over the next five years.



Rowland Water District
3021 Fullerton Road
Rowland Heights, CA 91748

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ROWLAND WATER DISTRICT

Notice of Public Hearing

Proposed changes to water rates and service charges

DATE: Tuesday, November 9, 2021

TIME: 5 p.m.

LOCATION: Rowland Water District

3021 Fullerton Road, Rowland Heights, CA 91748

Although Rowland Water District intends to hold the public hearing in person, the District will comply with all public health and safety requirements and applicable recommendations. Should the District be legally authorized and determine that it is in the best interest of the public to conduct this public hearing exclusively virtually, the District will post information on its website as soon as such information is available.



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Location: Rowland Water District
3021 Fullerton Road
Rowland Heights, CA 91748

The Board of Directors of Rowland Water District will conduct a public hearing to consider a proposed schedule of increases to the District's water rates and service charges over the next five calendar years. Interested parties are invited to attend the public hearing.

MORE INFORMATION INSIDE