



RUNNING SPRINGS WATER DISTRICT

31242 Hilltop Boulevard • P.O. Box 2206
Running Springs, CA 92382

April 16, 2014

NOTICE TO PROPERTY OWNERS

PROPOSED RATE ADJUSTMENT BY RUNNING SPRINGS WATER DISTRICT

The law in California provides that water and wastewater customers must be notified of proposed rate increases. The Board of Directors of the Running Springs Water District (RSWD or District) will consider adjusting some water and wastewater rates and fees effective July 1, 2014 through June 30, 2019. The increase in wastewater rates is due primarily to the loss of the non-operating revenue that previously was collected, but will no longer be collected, from the County of San Bernardino for the disposal of leachate from the Heap's Peak landfill. The lost revenue was being used to fund deferred repair and replacement of aging infrastructure. Water rates are being adjusted to help fund much needed repair and replacement of aging infrastructure as well as the development of additional local groundwater. The rate and fee increases are identified in the table below.

CURRENT RATES & FEES			PROPOSED RATES & FEES FISCAL YEARS ENDING (FYE) 2015-2019					
Water Rates & Fees:			Water Rates & Fees: Residential/Commercial Monthly Base Charge:					
Residential/Commercial Monthly Base Charge:				<u>FYE 2015</u>	<u>FYE 16</u>	<u>FYE 17</u>	<u>FYE 18</u>	<u>FYE 19</u>
3/4" Meter	-	\$23.50	3/4" Meter	\$25.85	\$27.14	\$28.50	\$29.92	\$31.42
1" Meter	-	\$52.93	1" Meter	\$58.22	\$61.13	\$64.19	\$67.40	\$70.77
1-1/2" Meter	-	\$101.93	1-1/2" Meter	\$112.12	\$117.73	\$123.62	\$129.80	\$136.29
2" Meter	-	\$160.76	2" Meter	\$176.84	\$185.68	\$194.96	\$204.71	\$214.95
3" Meter	-	\$347.01	3" Meter	\$381.71	\$400.80	\$420.84	\$441.88	\$463.97
Water Consumption Charge:			Water Consumption Charge per cubic foot: (1 cubic foot (cf) = 7.48 gallons)					
\$0.0352 per cubic foot			<u>FYE 2015</u>	<u>FYE 2016</u>	<u>FYE 2017</u>	<u>FYE 2018</u>	<u>FYE 2019</u>	
(1 cubic foot = 7.48 gallons)			\$0.0387	\$0.0406	\$0.0426	\$0.0447	\$0.0469	
Construction Water: \$0.0703 per cubic foot			Construction Water:			\$0.0773 per cubic foot		
Outside District Water: \$0.0412 per cubic foot			Outside District Water:			\$0.0453 per cubic foot		
Landscape Irrigation Meter Monthly Charge:			Landscape Irrigation Meter Monthly Base Charge:					
			<u>FYE 2015</u>	<u>FYE 16</u>	<u>FYE 17</u>	<u>FYE 18</u>	<u>FYE 19</u>	
3/4" Meter	-	\$9.81	3/4" Meter	\$10.79	\$11.33	\$11.90	\$12.50	\$13.13
1" Meter	-	\$24.51	1" Meter	\$26.96	\$28.31	\$29.73	\$31.22	\$32.78
1-1/2" Meter	-	\$49.02	1-1/2" Meter	\$53.92	\$56.62	\$59.45	\$62.42	\$65.54
2" Meter	-	\$78.44	2" Meter	\$86.28	\$90.59	\$95.12	\$99.88	\$104.87
Fire Service Water Meter Monthly Base Charge:			Fire Service Water Meter Monthly Base Charge:					
			<u>FYE 2015</u>	<u>FYE 16</u>	<u>FYE 17</u>	<u>FYE 18</u>	<u>FYE 19</u>	
3/4" Meter	-	\$19.60	3/4" Meter	\$21.56	\$22.64	\$23.77	\$24.96	\$26.21
1" Meter	-	\$32.59	1" Meter	\$35.85	\$37.64	\$39.52	\$41.50	\$43.58
1-1/2" Meter	-	\$45.58	1-1/2" Meter	\$50.14	\$52.65	\$55.28	\$58.04	\$60.95
2" Meter	-	\$58.57	2" Meter	\$64.43	\$67.65	\$71.03	\$74.59	\$78.32
3" Meter	-	\$71.54	3" Meter	\$78.69	\$82.62	\$86.76	\$91.09	\$95.65
4" Meter	-	\$84.53	4" Meter	\$92.98	\$97.63	\$102.51	\$107.64	\$113.02
6" Meter	-	\$97.52	6" Meter	\$107.27	\$112.63	\$118.27	\$124.18	\$130.39
8" Meter	-	\$110.51	8" Meter	\$121.56	\$127.64	\$134.02	\$140.72	\$147.76
Wastewater Rates:			Wastewater Rates: Residential & Commercial Sewer Monthly Base Charge per equivalent dwelling unit (EDU):					
Residential & Commercial Sewer Monthly Base Charge: \$30.85			<u>FYE 2015</u>	<u>FYE 16</u>	<u>FYE 17</u>	<u>FYE 18</u>	<u>FYE 19</u>	
Residential Sewer Usage Charge: 15% of water usage charge			\$33.94	\$36.32	\$38.86	\$41.58	\$44.49	
Commercial Sewer Usage Charge: 1/3 of water usage charge			Residential Sewer Usage Charge: 15% of water usage charge					
			Commercial Sewer Usage Charge: 1/3 of water usage charge					
			Infrastructure Repair & Replacement Monthly Fees:					
			Water: \$1.88 per month per EDU					
			Wastewater: \$2.25 per month per EDU					

In addition, increases in charges to RSWD, if any, for the purchase of imported water will be passed through to RSWD customers automatically as increases in the water consumption charge.

NEED FOR THE RATE AND FEE INCREASE

The majority of the rates and fees in the Water and Wastewater Budgets for Fiscal Year 2014/15 include an increase to generate additional revenue needed to: offset the loss of the leachate disposal revenue from the County of San Bernardino, offset lower property tax allocations, fund increases in several operating expense categories, funding for capital improvement projects and to minimize the use of designated reserves to fund expenses. The District's Cash Reserve Policy, Financial and Facilities Master Plans as well as the draft fiscal year 2014/2015 District budget were used as the basis upon which the amount of the proposed rates and fees was calculated. The rate increases were not the only measures used to generate a balanced budget. Other measures required to balance the budget included reductions in operating expenses where possible and deferral of nonessential activities and projects.

WHAT THIS MEANS TO OUR AVERAGE CUSTOMERS WATER & SEWER BILL IN FY 2014/2015

For an average District customer who uses 1,000 cubic feet of water per month the monthly impacts would be as follows:

CURRENT RATES & FEES (FYE 2014)		PROPOSED RATES & FEES (FYE 2015)	
Water Rates			
Monthly Water Base Charge	\$23.50	Monthly Water Base Charge	\$25.85
Monthly Water Usage Charge	\$35.20	Monthly Water Usage Charge	\$38.70
		Monthly Infrastructure Repair/Replacement Charge	\$ 1.88
Total Water Charges:	\$58.70	Total Water Charges:	\$66.43
Sewer Rates			
Monthly Sewer Base Charge	\$30.85	Monthly Sewer Base Charge	\$33.94
Monthly Sewer Usage Charge	\$ 5.28	Monthly Sewer Usage Charge	\$ 5.80
Monthly Treatment Plant Loan Repayment Fee	\$ 3.00	Monthly Treatment Plant Loan Repayment Fee	\$ 3.00
		Monthly Infrastructure Repair/Replacement Charge	\$ 2.25
Total Sewer Charges:	\$39.13	Total Sewer Charges:	\$44.99
Total Water & Sewer Charges			
Total Current Water & Sewer Charges:	\$97.83	Total Proposed Water & Sewer Charges:	\$111.42

As you can see from the information in the table above, for an average use customer with a ¾-inch water meter, **the proposed rate and fee adjustments for the fiscal year ending 2015 would result in a \$13.59 per month increase in the total bill for water and sewer services.** The proposed rates and fees being considered for the fiscal years ending 2016-2019 are as indicated in the table on Page 1. The monthly treatment plant loan is expected to be paid off in 2017.

PUBLIC HEARING

A public hearing to consider the water and wastewater rate and fee increases will be held at a regular meeting of the RSWD Board of Directors on June 18, 2014 at 6:00 p.m. at the District office, 31242 Hilltop Blvd., Running Springs, CA. At the hearing, the RSWD Board of Directors will consider adoption of a resolution that adjusts water and wastewater rates and fees as set forth in this notice. Affected property owners or tenants responsible for paying the bills for service may protest the proposed rate increases prior to the public hearing in writing. A valid protest must contain: (1) a description of the property (address or assessor's parcel number) sufficient to identify the property, (2) identification of the specific rate increase for which the protest is being submitted, and (3) the signature of the property owner of record as shown on the last equalized assessment roll used by the County of San Bernardino for assessing taxes, or a signature accompanied by written evidence that the signer is the owner if he or she is not identified as the owner of record on the last tax roll, or alternatively a signature of the tenant responsible for paying the bills for service. Only one written protest will be counted per parcel. All valid protests must be received by the District prior to the June 18, 2014 public hearing being closed. Protests may be mailed, or personally delivered to:

Running Springs Water District
P.O. Box 2206, 31242 Hilltop Blvd.
Running Springs, CA 92382

A WORD ABOUT YOUR WATER BILL

Please note that in the RSWD rate structure an important impact on your bill is the amount of water you use each day. As our customer, you regulate control in lowering your bill by reducing the amount of water that you use. District staff is available to talk with you about your specific water conservation needs. Please feel free to contact us at (909) 867-2766.

NOTE: This notice was mailed using information contained on the last equalized assessment roll obtained from the County of San Bernardino. You may receive more than one copy if you own multiple properties or own property under more than one name. While District policy holds property owners responsible for payment of the District's bills for water and/or wastewater, if the property in question is occupied by a tenant that you hold directly responsible for payment of the District's bills for water and/or wastewater service, please forward this notice to that tenant.