

WHY ARE RATE INCREASES NECESSARY?



State Order

The State is mandating that MSWD make changes to its rates. Failure to comply could result in fines and other penalties that would increase costs for our customers.



Drought

California's unprecedented drought has strained water resources across the state, and caused serious financial consequences for water districts.



Chromium-6

Like other water providers in the Coachella Valley, MSWD needs to build new treatment facilities to comply with California's new water quality standard for Chromium-6, a mineral that occurs naturally in our groundwater.



Aging Water System

MSWD maintains a complex system of pipelines and facilities to deliver water safely and reliably to you. As this system ages, we need to devote resources to proactive maintenance and upgrades to keep it functioning efficiently and avoid expensive breaks and repairs.



Groundwater Management

MSWD recognizes its responsibility to safeguard precious water resources for future generations. Working regionally to manage groundwater supplies is the best way to build a sustainable future.

How would new water revenue be used?

This graphic shows how revenue generated by new rates will be utilized to address rising district costs.



The MSWD Board of Directors and Staff are dedicated to keeping District costs – and customer bills – as low as possible.

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DESERT HOT SPRINGS, CA



66575 2nd St, Desert Hot Springs, CA 92240

JOIN US AT A PUBLIC MEETING.

MSWD is hosting regular informational meetings at the district headquarters, 66575 2nd Street, Desert Hot Springs (Use the rear entrance and parking off of First Street).

Date	Time
Wednesday, January 6	10 a.m.
Wednesday, January 13 (bilingual)	6 p.m.
Wednesday, January 20	10 a.m.
Wednesday, January 27	6 p.m.
Wednesday, February 3 (bilingual)	10 a.m.
Wednesday, February 10	6 p.m.

If you would like to schedule an MSWD presentation for your group or organization, please call 760.329.6448 ext. 144.



NOTICE OF PUBLIC HEARING: Concerning Proposed Changes to the MSWD Water Rate Structure and Adjustments to Water, Sewer Service and Consumption Charges

Date: February 16, 2016

Time: 6:00 p.m.

Location: Mission Springs Water District Board Room
66575 2nd Street Desert Hot Springs, CA 92240



IMPORTANT INFORMATION ABOUT YOUR WATER RATES

This notice is being furnished to you by Mission Springs Water District ("MSWD") pursuant to California Constitution Article XIID (also known as "Proposition 218"). Under the terms of Proposition 218, MSWD is required to notify the property owners of record of proposed changes to property-related fees, such as water and sewer service.

This serves as notice that the MSWD Board of Directors will conduct a public hearing, at the time, date and location specified above, to consider recommended adjustments to MSWD's water rate structure ("billing tiers"), water "flow" charges, water service fixed charges, sewer service rates and charges, and to establish a drought surcharge. If approved, the proposed rate adjustments will be implemented as follows: March 1, 2016 (year 1), January 1, 2017 (year 2), January 1, 2018 (year 3), January 1, 2019 (year 4), and January 1, 2020 (year 5) in accordance with the tables herein. Each element of the proposed action is explained further below.

All members of the public are invited to attend the public hearing. Additionally, 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 and a Residential Rate Estimator Tool are available online at: www.mswdrates.com.

Si gustaria obtener esta informacion en espanol, por favor visite www.mswdrates.com o contactenos a 760.329.6448 x. 111.

WHY HAVE I RECEIVED THIS NOTICE?



MSWD is dedicated to providing reliable and cost effective water and sewer service to its customers at rates that do not exceed the cost of service, while maintaining essential water and sewer infrastructure. MSWD caused to be prepared a study by Willdan Financial Services, entitled "Water and Sewer Cost of Service Study", dated December 9, 2015 (the "Study").

The results of the Study indicate a need to adjust water and sewer service rates and charges to provide revenues sufficient to fund the ongoing operating and capital costs including: maintenance, administration, debt service, Chromium-6 (Hexavalent Chromium) regulatory compliance, compliance with California's Drought regulations and orders, and revenue losses due to conservation. The proposed action satisfies the requirements of California Water Code section 31007 and meets the financial requirements and goals set forth by MSWD for the water and sewer utilities.

Additionally, under the State Water Resources Control Board Conservation Order for Mission Springs Water District, Dated August 31, 2015, Section 2(A), the District shall: "Diligently complete its in-progress rate study, with the goal of implementing a rate structure that encourages conservation as well as discouraging waste or overuse. The new rate structure shall be implemented as soon as possible under the requirements of Prop 218, but no later than January 1, 2016." (This has since been amended to March 21, 2016)

Proposed Drought Surcharge:

With Governor Brown's declaration of a drought emergency, the State Water Resources Control Board ("SWRCB") was charged with mandating water restrictions for California. The SWRCB adopted statewide mandates on May 6, 2015 requiring agencies to increase conservation efforts. The mandate requires MSWD and its customers to reduce water use by 28%.

In response to California's historical drought, and under a SWRCB Conservation Order, MSWD is proposing a temporary drought surcharge. This surcharge is designed to cover the program costs of State mandated conservation activities, while helping to offset revenue losses due to drought related water use reductions. The drought surcharge will be in effect until further notice. Surcharges are applied to all customers, without exception, in accordance with the table below:

	2016	2017	2018	2019	2020
Drought Surcharge per CCF	.05	.05	.05	.05	.05

DESCRIPTION OF WATER RATE STRUCTURE

The proposed rate structure for water service has four customer classes: single-family residential, multi-family residential, non-residential, and irrigation. The proposed rate structure is comprised of two components: a fixed monthly service charge (the "Meter Charge"), and the variable water consumption charge (the "Water Flow Charge").

If the proposed rate changes are approved by the MSWD Board of Directors, all water used by customers will be billed at the rates set forth in the tables below:



Fixed Monthly Meter Charges

These fixed, monthly charges are determined by the size of the water meter serving a property, or, for multi-family accounts, the number of units, and are calculated to recover a portion of the District's fixed costs.

FIXED MONTHLY CHARGE BASED ON METER SIZE

Meter Size	Monthly Charge / Fiscal year					
	Existing	2016	2017	2018	2019	2020
0.75	\$9.32	\$9.32	\$10.37	\$11.36	\$12.44	\$13.63
1	\$10.38	\$15.53	\$17.28	\$18.93	\$20.73	\$22.70
1.5	\$12.28	\$31.06	\$34.56	\$37.85	\$41.45	\$45.39
2	\$14.23	\$49.69	\$55.29	\$60.55	\$66.31	\$72.61
3	\$22.69	\$93.16	\$103.65	\$113.50	\$124.29	\$136.10
4	\$35.16	\$155.26	\$172.73	\$189.14	\$207.11	\$226.79
6	\$56.48	\$310.51	\$345.45	\$378.27	\$414.21	\$453.56

Multi-Family Monthly Fixed Charge per Unit

\$5.94	\$6.61	\$7.24	\$7.93	\$8.69
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FLOW CHARGE PER CCF

Proposed Water Flow Charges for Single-Family Residential Customers: Single-Family Residential Water Flow Charges reflect a change from the existing three-tiered rate structure to a two-tiered rate structure that imposes higher rates as the level of water use increases based on a monthly usage per one hundred cubic feet (CCF). (1 CCF=748 gallons).

Type	Rate / Fiscal year					
	Existing	2016	2017	2018	2019	2020
Single Family Residential						
Tier 1	\$0.99	\$1.55	\$1.73	\$1.90	\$2.09	\$2.29
Tier 2	\$1.74	\$2.12	\$2.36	\$2.59	\$2.84	\$3.11
Tier 3	\$1.83					

Proposed Water Flow Charges for Multi-Family Residential Customers: Multi-Family Residential Water Flow Charges reflect a change from the existing three-tiered rate structure to a two-tiered rate structure that imposes higher rates as the level of water use increases based on a monthly usage per one hundred cubic feet (CCF). (1 CCF=748 gallons).

Multi Family Residential						
Type	Existing	2016	2017	2018	2019	2020
Tier 1	\$0.99	\$1.43	\$1.60	\$1.76	\$1.93	\$2.12
Tier 2	\$1.74	\$1.95	\$2.18	\$2.39	\$2.62	\$2.87
Tier 3	\$1.83					

Proposed Water Flow Charges for Non-Residential Customers: Non-Residential Water Flow Charges reflect a uniform rate structure with usage based on a monthly usage per one hundred cubic feet (CCF). (1 CCF=748 gallons)

Proposed Water Flow Charges for Irrigation Customers: Irrigation Water Flow Charges reflect a rate structure based on a monthly usage per one hundred cubic feet (CCF) for customers who utilize potable water for irrigation purposes on a separate irrigation meter. (1 CCF=748 gallons)

Non-Residential	\$1.74	\$1.85	\$2.06	\$2.26	\$2.48	\$2.72
Irrigation	\$1.74	\$2.78	\$3.09	\$3.39	\$3.72	\$4.08

Basis of Proposed Rate Adjustment

The proposed water and sewer rate structures and charges were calculated by an independent third party consultant in order to evenly spread the applicable costs among water and sewer users according to the cost of providing service to those users. The proposed rates are based on the Water and Sewer Cost of Service Study, which is available for public review and inspection at MSWD offices located at 66575 Second Street, Desert Hot Springs, CA.

DID YOU KNOW?

As a public agency, the district cannot earn a profit from the services it provides, and must charge no more than the actual costs of providing services to its customers.



CCF TIER STRUCTURE



Single Family Residential

	Current CCF	Proposed CCF
Tier 1	0-4	0-13
Tier 2	4-15	13+
Tier 3	15+	-

Multi-Family Residential

	Current CCF	Proposed CCF
Tier 1	0-4	0-8.3
Tier 2	4-15	8.3+
Tier 3	15+	-

SEWER FEES

MSWD also proposes to implement sewer service rate adjustments. A description of the sewer service rates and charges is explained below:

Proposed Sewer Rates for Single-Family Residential Customers: Single-Family Residential Sewer Rates reflect a fixed monthly charge calculated to recover the cost of providing sewer service.

Proposed Sewer Rates for Multi-Family Residential Customers: Multi-Family Residential Sewer Rates reflect a fixed per-unit monthly charge calculated to recover the cost of providing sewer service.

Proposed Sewer Rates for Non-Residential Customers: Non-residential sewer rates reflect a uniform rate structure with rates determined by customer class and usage based on monthly water usage per one hundred cubic feet (CCF). (1 CCF=748 gallons).

If the proposed rate changes are approved by the MSWD Board of Directors, all sewer service used by customers will be billed at the rates set forth in table below:

Customer Class	Rate / Fiscal year					
	Existing	2016	2017	2018	2019	2020
Single Family Residential	\$31.23	\$36.92	\$40.98	\$45.49	\$47.77	\$50.16
Multi-Family Residential	\$23.92	\$23.51	\$26.10	\$28.98	\$30.43	\$31.96
Non-Residential	\$1.98 - \$12.94	\$2.46 - \$6.88	\$2.73 - \$7.65	\$3.04 - \$8.50	\$3.20 - \$8.93	\$3.36 - \$9.38

For individual non-residential rate information call 760.329.6448 EXT.111

How Can I Participate?

Mission Springs Water District welcomes your participation and input throughout the process as its Board of Directors considers the changes explained in this Notice. If you have any questions or comments about MSWD's proposed rates, you can:



Call, visit or log-on.

The Study, the proposed Resolutions, and more information on the proposed adjustments and increases are available for review at the MSWD office, and on our dedicated rates website: www.mswdrates.com. In addition, MSWD has established a dedicated rates hotline at 760-329-6448, ext. 111, where you can ask questions and leave feedback.



Write. Owners of real property who will be affected by the proposed rate changes, as well as tenants who will be directly responsible for paying the charge, may file a written protest against the proposed rate adjustments; however, only one written protest per parcel shall be counted in calculating the majority protest as explained below ("Public hearing process"). Written protests will be treated as public records once opened. Written protests may be mailed or delivered in person to Mission Springs Water District, Attention: Secretary of the Board, 66575 2nd St., Desert Hot Springs, CA 92240, or at the public hearing. Protests must specify the rate or charge being protested and must include: your name, parcel number and/or service address, and your signature. Protests submitted by email or other electronic means do not count as formal written protests. All written protests must be received prior to the conclusion of the public input portion of the public hearing in order to be considered by the Board.



Attend the public hearing: Members of the public are welcome to attend the public hearing regarding the proposed rate changes. The public hearing will take place on February 16, 2016 at 6:00 p.m. in the MSWD Board Room at 66575 2nd St. (parking and access are off of First Street at the rear of the building), Desert Hot Springs, CA 92240. At the public hearing, all members of the public will have an opportunity to speak and give testimony regarding the proposed water and sewer service rate adjustments; however, only written protests will count towards a majority protest.

Public hearing process: At the time of the public hearing, the Board of Directors will hear and consider all written protests and public comments. After the public hearing, if a majority of the property owners or customers of record of the impacted parcels submit written protests in opposition to the proposed rate increases, the increases will not be imposed. If a majority written protest is not received, MSWD's Board of Directors may adopt the proposed changes, though they are not obligated to. If adopted, the proposed rates will become effective March 1, 2016, and scheduled increases will be implemented annually over the next five years, as explained in this document.



In January, you will receive a personalized letter that describes the impact of the proposed changes to you bill.