



Rosamond Community Services District

3179 35th St W, Rosamond, CA 93560

The Public Hearing will be conducted pursuant to Article XIID of the California Constitution.

New rates will be effective July 1st, 2021 and will be applied to the first billing cycle thereafter.

Date: Wednesday May 12, 2021

Time: 7:00 PM

Location: Join Zoom Meeting

<https://zoom.us/join>

or dial in (669)900-9128

Meeting ID: 817 8241 9804

Passcode: 448069

NOTICE OF PUBLIC HEARING

Proposed Adjustments in Water and Sewer Rate Structure and Rates

Please take notice: The Board of Directors of Rosamond Community Services District (RCSD) will conduct a Public Hearing to consider implementing an adjusted water and sewer rate structure and a schedule of increases to its water and sewer rates over the next five years. Every few years, the budget, costs, and infrastructure needs and plans are reviewed and evaluated. From that, it is determined to what extent the customer rates and charges should be adjusted. The consideration of these adjusted rates is based on a Water and Sewer Rate Analysis prepared by Robert D. Niehaus, Inc. All members of the public are invited to attend the Public Hearing. At that time, any member of the public may speak on the issue of rates. If the District has not received protests from more than 50% of its customers, as more fully described on page 2, the Board of Directors will have the option of voting on the proposed rates.

Why is RCSD Considering Rate Changes?

As a government agency, RCSD is required by law to charge its customers the specific costs associated with providing water and sewer services to that specific customer or customer class. The District's decision to propose rate changes to its customers is based on the following considerations.

1. Sustaining high-quality water delivery and customer service—The District has worked hard to keep rates at the lowest it can by maintaining lean staff levels, minimizing operational costs, using reserves, and pro-actively managing capital improvements to increase the life of assets. However, as costs continue to increase, the District's ability to continue delivering high-quality water and sewer services will be impaired if it cannot collect enough revenues.

2. Legal compliance—The District is mandated to evaluate and document its adherence to "cost-of-service" principles as detailed by Proposition 218. All costs and their uses were evaluated, and the District determined that it should adjust rates to comply with cost of service guidelines. The proposed rates improve customer equity so that each customer class pays its fair share of the expenses associated with providing service.

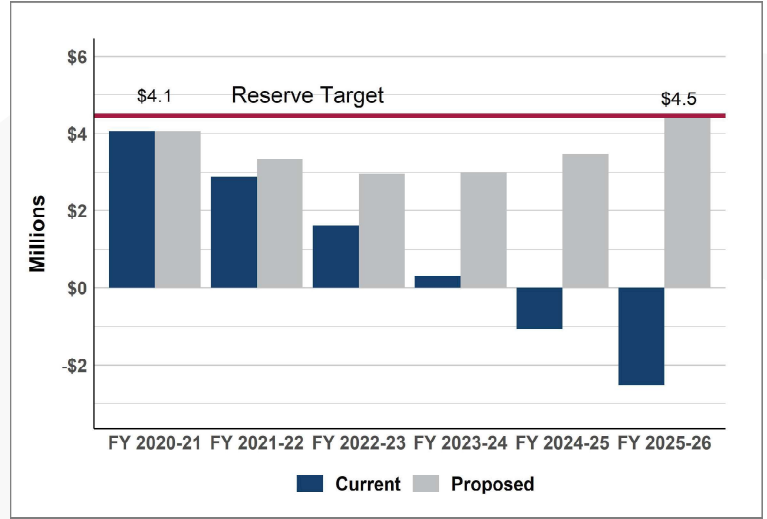
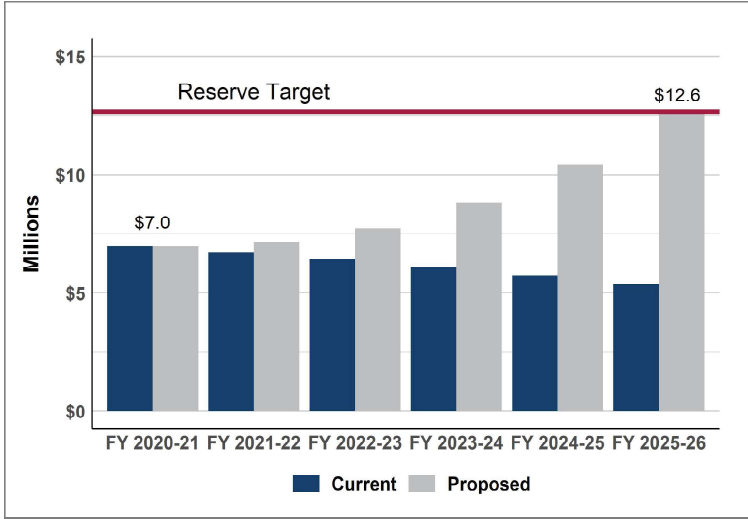
District Reserves

A key to the successful operation of the District is to maintain healthy reserve balances. The reserve targets are designed to cover the costs of emergencies, secure additional water supply in preparing for the next prolonged drought condition, provide revenues to stabilize the rates when sales decline, as well as other unforeseeable situations. If the District fails to increase revenues in the near term, the water fund will severely draw down its reserves, and the sewer fund will fully exhaust its existing reserves and enter a deficit position by the end of the study period.

Change in Reserve Balances with and without Rate Adjustments

Water

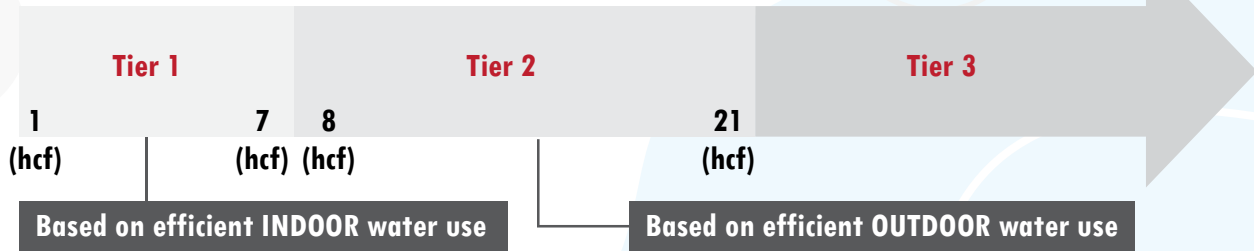
Sewer



Proposed Rate Methodology - Tier Rate Allocation

Residential Tier 1 and Tier 2 widths align to the new state water budget regulations AB 1668 and SB 606 and reflect efficient indoor and outdoor water allocation for the District’s average customers. Commercial customers’ Tier widths are based on historical usage patterns and reflect the usage level for 50 percent of annual bills (Tier 1) and 80 percent of annual bills (Tier 2).

Residential



Procedure for Filing a Written Protest

Protests to the proposed water and sewer rates described herein must be received by the District in writing on or before the close of the public hearing on May 12, 2021. Written protests will also be accepted at the public hearing. All written protests must be signed by the owner and contain a description of each property (address and/or Assessor Parcel Number). You may mail your written protest to: **Rosamond Community Services District Attention: Lizette Guerrero, Assistant General Manager RE: Water and Sewer Rate Study 3179 35th Street West Rosamond, CA. 93560.** Protests that are mailed or delivered to the District will be accepted, if received by the deadline. Protests that are faxed, emailed or sent in another manner than that described will not be accepted.

Proposed Water Rates

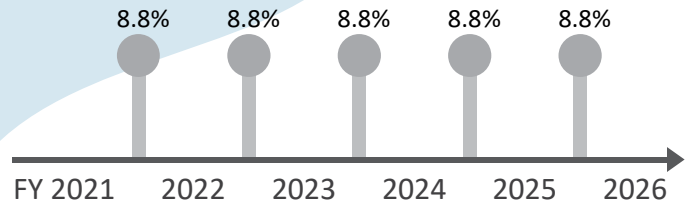
The rate structure for water service fees has three customer classes: residential, commercial I, and commercial II.

The rate structure is comprised of two components:

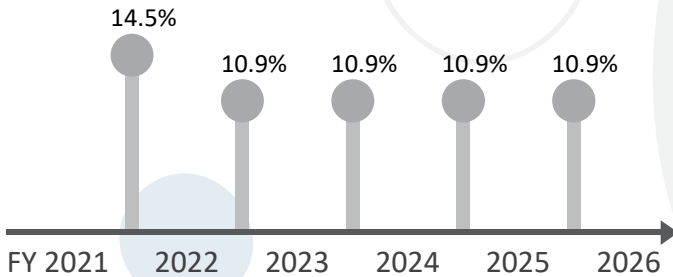
- (1) a fixed monthly service charge (the “Fixed Service Charge”)
- (2) a variable volumetric water consumption charge (the “Volumetric Charge”).

The rates for the fixed monthly service charge are established on the basis of the size of the water meter serving a property. The rates for the variable volumetric consumption charge are based on the number of units of water delivered to a property and consist of three tiers which results in higher rates as the level of water consumption increases. The proposed rates include a yearly revenue adjustment of 8.8% which serves to offset increasing costs and solidify reserves.

Water Revenue Adjustments



Sewer Revenue Adjustments



Proposed Sewer Rates

The rate structure for sewer service fees has three customer classes: residential, commercial I, and commercial II. The rate structure is comprised of two components:

- (1) a fixed monthly service charge (the “Fixed Service Charge”)
- (2) a variable volumetric water consumption charge (the “Volumetric Charge”).

The rates for the fixed monthly service charge are established on the basis of customer class. The rates for the variable volumetric consumption charge are based on the number of units of water delivered to a property and for residential customers are based on the average winter use; up to 20 hcf. All sewer flow is billed for commercial I and commercial II customers. The proposed rates include a revenue adjustment of 14.5% in FY 2021-22 followed by yearly revenue adjustments of 10.9% which serve to offset increasing costs and solidify reserves.

Proposed Sewer Rates

SEWER RATES					
Adopted Rates	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
RESIDENTIAL					
Volumetric Rate	\$0.34	\$0.38	\$0.42	\$0.46	\$0.52
Fixed Charge	\$43.57	\$48.30	\$53.54	\$59.35	\$65.78
COMMERCIAL I					
Volumetric Rate	\$0.68	\$0.76	\$0.84	\$0.93	\$1.03
Fixed Charge	\$87.83	\$97.36	\$107.93	\$119.64	\$132.62
COMMERCIAL II					
Volumetric Rate	\$3.04	\$3.37	\$3.74	\$4.14	\$4.59
Fixed Charge	\$87.83	\$97.36	\$107.92	\$119.63	\$132.61

Proposed Water Rates

The proposed rate increases included in this notice, if approved, are the maximum that can be adopted annually by RCSD during the study period. RCSD will not be able to implement rate adjustments higher than are shown here in any given year. However, the District can implement rates that are lower than the adopted rates. RCSD will assess its financial condition annually to determine what adjustments are necessary.

Volumetric Charges per HCF						
Rates	Width	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
RESIDENTIAL						
Tier 1	1-7 hcf	\$2.91	\$3.16	\$3.44	\$3.74	\$4.07
Tier 2	8-21 hcf	\$3.21	\$3.49	\$3.80	\$4.13	\$4.49
Tier 3	All additional	\$4.03	\$4.39	\$4.77	\$5.19	\$5.64
COMMERICAL I						
Tier 1	1-10 hcf	\$2.97	\$3.23	\$3.51	\$3.82	\$4.15
Tier 2	11-40 hcf	\$3.50	\$3.81	\$4.14	\$4.50	\$4.89
Tier 3	All additional	\$4.28	\$4.65	\$5.06	\$5.50	\$5.98
COMMERICAL II						
Tier 1	1-30 hcf	\$2.97	\$3.23	\$3.51	\$3.82	\$4.15
Tier 2	31-95 hcf	\$3.50	\$3.81	\$4.14	\$4.50	\$4.89
Tier 3	All additional	\$4.28	\$4.66	\$5.07	\$5.51	\$5.99

Fixed Charge Monthly					
Rates	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
RESIDENTIAL					
5/8-in & 3/4-in	\$30.50	\$33.17	\$36.07	\$39.23	\$42.66
1-in	\$48.21	\$52.43	\$57.02	\$62.01	\$67.44
1 1/2-in	\$92.49	\$100.59	\$109.39	\$118.96	\$129.37
2-in	\$145.63	\$158.37	\$172.23	\$187.30	\$203.69
3-in	\$269.62	\$293.21	\$318.87	\$346.77	\$377.11
4-in	\$446.75	\$485.84	\$528.35	\$574.58	\$624.68
6-in	\$889.56	\$967.40	\$1052.05	\$1144.10	\$1244.21
COMMERICAL I					
5/8-in & 3/4-in	\$35.09	\$38.16	\$41.50	\$45.13	\$49.08
1-in	\$55.87	\$60.75	\$66.07	\$71.85	\$78.14
1 1/2-in	\$107.80	\$117.23	\$127.49	\$138.65	\$150.78
2-in	\$170.13	\$185.01	\$201.20	\$218.81	\$237.96
3-in	\$315.55	\$343.16	\$373.19	\$405.84	\$441.35
4-in	\$523.29	\$569.08	\$618.87	\$673.02	\$731.91
6-in	\$1042.65	\$1133.89	\$1233.11	\$1341.01	\$1458.35
COMMERICAL II					
5/8-in & 3/4-in	\$38.75	\$42.14	\$45.83	\$49.84	\$54.20
1-in	\$61.96	\$67.39	\$73.29	\$79.70	\$86.67
1 1/2-in	\$120.00	\$130.50	\$141.92	\$154.34	\$167.84
2-in	\$189.64	\$206.23	\$224.28	\$243.90	\$265.24
3-in	\$352.14	\$382.95	\$416.46	\$452.90	\$492.53
4-in	\$584.28	\$635.40	\$691.00	\$751.46	\$817.21
6-in	\$1164.62	\$1266.53	\$1377.35	\$1497.87	\$1628.93