



## Rosamond Community Services District

Official Newsletter of Rosamond Community Services District - April 2021

### Rate Study

This past year, RCSD hired a well-known and respected consultant to perform a rate study to guide our financial decisions for the next five years. This study determines the necessary revenue needed by looking at current operating costs and income and projected operating costs and income to develop a schedule of proposed rates. These rates include adjustments needed for RCSD to remain financially responsible. The State of California requires RCSD to perform a rate study like this every five years.

### RCSD Does Not Operate for Profit

One of the most critical factors in the rate study is that RCSD does not operate at a profit. Income collected must cover RCSD's operating expenses. If it is projected that current rates will provide more income than RCSD needs to operate, the new proposed rate structure will be lower. If it is projected that current rates will provide less income than RCSD needs to operate, the new proposed rate structure will be designed to generate additional revenue to cover the operation costs.

The unfortunate truth is that the vast majority of rate studies across the state increase rates to cover the ever-climbing costs of acquiring, treating, and delivering water. Our current rate study, in particular, is having to grapple with increasing costs that are the result of local and state legislation.

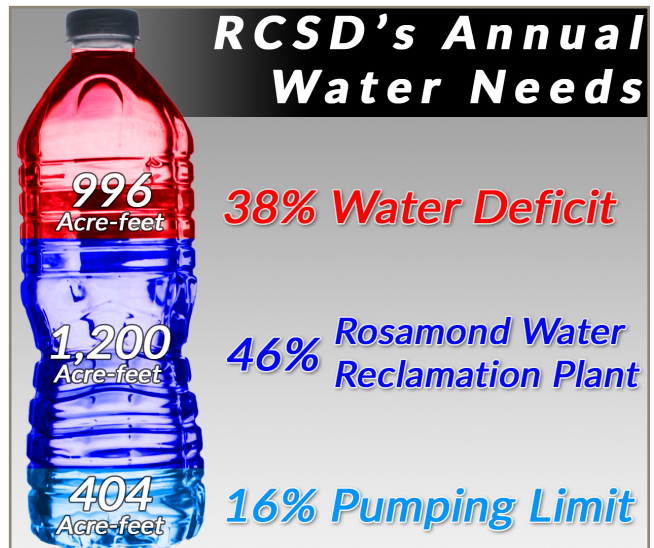
### The Adjudication

One of the most significant factors contributing to the current rate study is the adjudication. Water is expensive and acquiring water is a huge and essential expense that RCSD must cover.

As discussed in our September 2020 issue, the adjudication is a legal limit on groundwater pumping imposed on all organizations in the Antelope Valley. These limits are designed to

protect our local aquifers and help them remain productive despite decades of overdraft and drought.

RCSD needs an average of 2,600 acre-feet of water to supply customer demand each year. The adjudication limits RCSD to pumping only 404 acre-feet of groundwater each year. That means RCSD must find a way to secure another 2,196 acre-feet of water.



### Buying Water

Antelope Valley water agencies get water from two primary sources: pumping groundwater and purchasing water from the State Water Project through the Antelope Valley East Kern Water Agency (AVEK). AVEK is a locally controlled agency that does its best to provide the water local water districts pay for.

AVEK largely relies on the water it has been allocated from the state. It is common for AVEK to only receive 60% of this water. This year AVEK will only receive 5%. This means AVEK will need to provide local agencies their purchased water from other sources, such as water AVEK previously banked in preparation for shortfalls from the state.

Groundwater pumping rights are based on land ownership. One way to buy water is to purchase land and the water rights that come with it. RCSD is constantly negotiating opportunities to purchase land to secure more water for our community.

### **Banking Water**

Water is a commodity, and its price changes with demand. When water is plentiful, it is less expensive. When water is scarce, it is more expensive. The fluctuations in the cost and availability of water are part of the reality RCSD must cope with to provide healthy, reliable water service to our community.

RCSD uses these price fluctuations to protect our customers by participating in the Willow Springs Water Bank. We have purchased water when it was plentiful and less expensive and have stored it in the water bank, where we can use it as needed. Currently, RCSD has about 4,500 acre-feet that helps contribute to our overall water security. However, RCSD's participation in the bank and purchasing water to store in it costs money.

### **Wastewater Treatment and New Opportunities**

One of the major costs RCSD is currently facing is the rehabilitation and expansion of the Rosamond Wastewater Reclamation Plant. The state required RCSD to decommission the existing evaporation ponds, which were more than 50 years old. However, RCSD still needed the ability to process Rosamond's wastewater.

RCSD's innovative solution was to update and expand the treatment plant, transitioning it from treating wastewater and letting it just evaporate to treating the water to a higher standard and percolating it back into the ground.

The project to enlarge and convert the plant will cost an estimated \$15 million and earn RCSD 1,200 acre-feet of pumping credits. These pumping credits alone have a value of up to \$8 million and will help offset the cost of the project.

### **State Water Conservation**

We know our customers are already familiar with the state's conservation mandates. New state laws went into effect this year that limit residential water usage to 55 gallons per person daily. If Rosamond uses more than this, RCSD can be fined. These fines would drive up RCSD's operating costs and impact future rate studies. The proposed rate adjustments help track usage and create incentives for customers to stay under the state's limit.

### **Financial Reserves are a Part of Doing Business**

As everyone who has owned a car or used a credit card knows, paying with cash is always less expensive than financing. While financing some expenses will always be necessary, financial reserves give RCSD the ability to pay cash for many planned infrastructure improvements and emergency repairs.

The decision was made to sacrifice financial reserves in favor of reducing rate increases in a past rate study. That decision has cost RCSD and our customers as we are still struggling to recover our reserves.

### **The Customer Decides**

As you can see, many factors contribute to the proposed rate adjustments, with most of them being forced on RCSD by legislation or circumstances beyond our control. Our staff remains committed to finding innovative ways to keep your rates as low as possible, including seeking grants and rebates, maintaining reserves, and investing in cost-saving ideas like the water bank and wastewater reclamation plant.

Approving the proposed rate adjustment is up to our customers. Our Board of Directors can only accept the rate study. Approving the rate adjustment is up to you. No one ever wants to raise rates. If the rate adjustment is not passed, RCSD and our community will need to make some extremely difficult decisions. Let's keep working together to keep healthy water flowing in Rosamond.



VEHICLE PER WEEK

**DANGER**  
NO SMOKING

# Household Hazardous Waste Collection Event

## TEHACHAPI



**SATURDAY, MAY 29, 2021**  
**12001 TEHACHAPI BLVD**  
**9 AM - 1 PM**

### Accepted Materials

Batteries | Motor Oil | Paints | Light Bulbs |  
Sharps | Pool Chemicals | Automotive Products |  
Cleaning Products & more!



**TOO TOXIC  
TO TRASH!**



**RULES  
TO  
FOLLOW**

- Label All Containers
- No Leaking Containers
- Do Not Mix Wastes
- Transport no more than 15 gallons or 125 lbs of waste per trip

Business Waste **NOT** accepted

\*Collection event may be cancelled due to weather conditions

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