

NOTICE OF PUBLIC HEARING

TO: Property Owner of Record; Tenant in Possession of Property; and All Parcels Within the Mojave Public Utility District that Receive Service and those in Wonder Acres that Receive Service
FROM: Mojave Public Utility District
DATE: July 26, 2018

NOTICE IS HEREBY GIVEN that on the **11th day of October, 2018 at 6:30 PM** in the Board Room located at 15844 öKö Street, Mojave, CA 93501, the Mojave Public Utility District (District) will conduct a public hearing on the proposal to adjust and increase its water and sewer rates, charges, and other fees. At said time, the District will hear and consider all objections and protests, if any, to said adjustments.

The proposed changes are not new fees, charges, or rates, but rather a proposed increase to existing fees, charges, and other rates. The changes proposed will affect both current and future customers of the District, and thus could possibly affect all property within the District's boundaries.

Water Rates:

The District's current water rate structure consists of three components: 1. Meter Charge, 2. Usage Fee, and 3. Surcharge Fee. The Meter Charge component is a minimum monthly charge to each water customer and is a fixed amount regardless of how much water a customer uses. Usage Fees and Surcharge Fees are charged to a customer based on the amount of water they use during a billing period. Revenues from Usage Fees and Surcharge Fees generally fund the District's variable operation and maintenance costs and replacement costs; whereas, Meter Charges generally fund the District's fixed operations and maintenance administrative costs. Additionally, the District has assigned a separate meter rate for the öWonder Acresö development; öCache Creek service areaö; öHomestead Metersö; and öCal Windö wind farm which are provided water through means other than the District's main distribution system or outside the District boundaries and thus have additional service costs.

Sewer Rates:

The District's sewer rate structure consists of a Monthly User Charge which is dependent on the type of customer classification. The District currently has about 21 different customer classifications for the various residential, commercial, and industrial users within the District. The customer classifications are based on the unique burden each classification places on the District's sewer system compared to a single-family dwelling. Additionally, the District has distinct rate and methodology for the Mojave Air and Spaceport pursuant to an agreement to provide sewer services outside of the District service area.

The District's Board of Directors has proposed the increase in water and sewer service rates as detailed in the rate schedules below. The proposed increase in water service rates is equal to an approximately 15% increase for 2019/2020 and an average increase of 6.25% in each of the following 4 years. The specific proposed increase to water service rates is detailed in the schedule below. Proposed increase in Sewer Service Rates is equal to an approximately 3% increase for 2019/2020 and an average increase of 4.6% in each of the following 4 years. The specific proposed increase to sewer service rates is detailed in the schedule below.

The reason for the proposed increase in water and sewer service rates is due to the increasing cost of providing water and sewer services and necessary capital improvements. These changes and suggested increases are based upon the findings of the Water Rate Study and Sewer Rate Study, each completed by AECOM, the District's independent engineering consultant. A complete copy of the Water Rate Study and Sewer Rate Study, describing the proposed changes to the charges, fees, and rates, and basis for such, is available for review in the office of the District. This study recommended that the District make the proposed changes to ensure adjustments necessary to keep up with the expenses in providing quality water and sewer services.

Assuming the proposed changes are approved, the effective dates of the changes are as follows:

<u>Charge / Fee / Rate</u>	<u>Effective Date</u>
- Water Service Rate	March 1, 2019
- Sewer Service Rate	March 1, 2019

All interested parties may attend and be heard by the Board of the District at the time and place indicated above. If unable to attend, you may file a written response prior to the hearing with the Secretary of the District at 15844 öKö Street, Mojave, CA 93501. Include the address or the property's Assessor's Tax Number for each property for which a protest or other response is being made. If you would like additional information on the proposed water rates and sewer service rate increase, please contact the District office at (661) 824-4161.

Dated: July 26, 2018

/s/ Bee Coy Jr.
Bee Coy Jr., General Manager
Mojave Public Utility District

PROPOSED WATER RATE INCREASE SCHEDULE:

Residential/Church/Fraternal Customers Monthly Water Service Charges

Meter Size (inches)	Existing 2018-19 (\$)	2019-20 (\$)	2020-21 (\$)	2021-22 (\$)	2022-23 (\$)	2023-24 (\$)
3/4	25.50	29.33	32.26	35.49	37.62	39.69
1	42.50	48.88	53.77	59.15	62.70	66.15
1 1/2	85.00	97.77	107.53	118.30	125.40	132.30
2	136.00	156.43	172.05	189.28	200.64	211.68
3	272.00	312.85	344.11	378.56	401.28	423.36
4	425.00	488.83	537.67	591.50	627.00	661.50
6	850.00	977.67	1,075.33	1,183.00	1,254.00	1,323.00
8	1360.00	1,564.27	1,720.53	1,892.80	2,006.40	2,116.80

Cache Creek Customers Monthly Water Service Charges

Meter Size (inches)	Existing 2018-19 (\$)	2019-20 (\$)	2020-21 (\$)	2021-22 (\$)	2022-23 (\$)	2023-24 (\$)
3/4	40.00	33.98	37.38	41.12	43.59	45.99
2	150.50	181.23	199.36	219.31	232.48	245.28

Commercial/Industrial Customers Monthly Water Service Charges

Meter Size (inches)	Existing 2018-19 (\$)	2019-20 (\$)	2020-21 (\$)	2021-22 (\$)	2022-23 (\$)	2023-24 (\$)
3/4	37.78	43.44	47.78	52.56	55.71	58.77
1	62.96	72.41	76.75	81.36	86.24	90.98
1 1/2	125.93	144.81	153.50	162.71	172.47	181.96
2	201.48	231.70	245.60	260.34	275.96	291.14
3	402.96	463.41	491.21	520.68	551.92	582.28
4	629.63	724.07	767.51	813.56	862.37	909.80
6	1259.26	1448.15	1535.04	1627.14	1724.77	1819.63
8	2014.81	2317.04	2456.06	2603.42	2759.63	2911.41

Assigned Rate Customers Monthly Water Service Charges

Customer	Existing 2018-19 (\$)	2019-20 (\$)	2020-21 (\$)	2021-22 (\$)	2022-23 (\$)	2023-24 (\$)
Wonder Acres	1129.49	1,298.91	1,428.80	1,571.68	1,665.98	1,757.61
Homestead Meters	62.96	72.41	76.75	81.36	86.24	90.98
Construction Meters	443.26	533.00	564.90	598.80	634.80	669.70

Water Service Usage Fees

Customer Type	Existing 2018-19 (\$/1000 gal)	2019-20 (\$/1000 gal)	2020-21 (\$/1000 gal)	2021-22 (\$/1000 gal)	2022-23 (\$/1000 gal)	2023-24 (\$/1000 gal)
All Customers	1.25	1.44	1.55	1.57	1.60	1.65
Construction Meters	1.25	1.66	1.78	1.81	1.84	1.90

Water Service Surcharge Fees

Customer Type	Existing 2018-19 (\$/1000 gal)	2019-20 (\$/1000 gal)	2020-21 (\$/1000 gal)	2021-22 (\$/1000 gal)	2022-23 (\$/1000 gal)	2023-24 (\$/1000 gal)
All Customers	0.20	0.23	0.25	0.25	0.26	0.27
Construction Meters	0.20	0.26	0.29	0.29	0.30	0.31

Flat Rate Customers Monthly Water Charges

Customer	Existing 2018-19 (\$)	2019-20 (\$)	2020-21 (\$)	2021-22 (\$)	2022-23 (\$)	2023-24 (\$)
Cal Wind	40.00	46.00	51.00	56.00	59.00	62.00

COMPARISON OF CURRENT AVERAGE WATER BILLS VS. PROPOSED FOR TYPICAL USERS:

Connection Type	Current Average Bill	2019-20 Estimated Bill	2020-21 Estimated Bill	2021-22 Estimated Bill	2022-23 Estimated Bill	2023-24 Estimated Bill
Residential 3/4" Meter	\$38.83	\$44.68	\$48.80	\$52.22	\$54.72	\$57.34
Cache Creek 3/4" Meter ¹	\$53.33	\$49.33	\$53.92	\$57.85	\$60.69	\$63.64
2" Residential Meter	\$239.02	\$275.08	\$299.94	\$318.59	\$332.79	\$348.09
2" Commercial Meter	\$304.50	\$350.35	\$373.49	\$389.65	\$408.11	\$427.55
4" Residential Meter (cemetery)	\$1,853.91	\$2,158.53	\$2,337.35	\$2,411.17	\$2,486.67	\$2,581.15
4" Commercial Meter (average)	\$1,129.31	\$1,335.80	\$1,426.86	\$1,480.24	\$1,543.70	\$1,613.11
6" Meter (MUSD)	\$4,177.06	\$4,808.66	\$5,157.14	\$5,289.49	\$5,467.61	\$5,683.21
8" Meter (Airport)	\$6,633.70	\$7,636.73	\$8,189.85	\$8,400.92	\$8,684.55	\$9,027.46
Wonder Acres (4" meter)	\$2,969.43	\$3,418.01	\$3,712.86	\$3,881.12	\$4,026.18	\$4,193.94

PROPOSED SEWER RATE INCREASE SCHEDULE:

Code	User Category	Sewer Monthly Rate (\$)					
		Current	2019-20	2020-21	2021-22	2022-23	2023-24
A	SINGLE FAMILY	15.33	15.79	16.52	17.28	18.07	18.90
B	APARTMENTS	11.50	11.84	12.39	12.96	13.55	14.18
C	MOTEL UNITS	4.45	4.58	4.79	5.01	5.24	5.48
D1	MOBILE HOMES	13.80	14.21	14.86	15.55	16.26	17.01
D2	RV SPACES	2.91	3.00	3.14	3.28	3.43	3.59
E	CHURCH FRATERNAL	10.73	11.05	11.56	12.09	12.65	13.23
F	SMALL BUSINESS	15.33	15.79	16.52	17.28	18.07	18.90
G	LARGE BUSINESS	55.18	56.84	59.46	62.19	65.05	68.05
H	RESTAURANT	133.40	137.37	143.69	150.30	157.21	164.45
I	SUPER MARKET	101.20	104.21	109.01	114.02	119.27	124.75
J	LAUNDRIES, PER MACHINE	13.80	14.21	14.86	15.55	16.26	17.01
K1	GAS STATIONS	41.40	42.63	44.59	46.65	48.79	51.04
K2	TRUCK STOP (WITH SHOWERS)	61.33	63.16	66.06	69.10	72.28	75.61
L	CAR WASH	52.13	53.69	56.16	58.74	61.44	64.27
M	MOJAVE JR/SR HIGH SCHOOL/ GYM	243.80	251.06	262.61	274.69	287.32	300.54
O	MOJAVE ELEMENTARY SCHOOL	217.73	224.22	234.53	245.32	256.60	268.41
P	SCHOOL SUPPORT	15.33	15.79	16.52	17.28	18.07	18.90
Q	SMALL COUNTY	15.33	15.79	16.52	17.28	18.07	18.90
R	LARGE COUNTY	55.18	56.84	59.46	62.19	65.05	68.05
S	CAMELOT HOMES	16.86	17.37	18.17	19.00	19.88	20.79
ZZ	MOJAVE AIR AND SPACEPORT - 12" MAIN ¹	Billed based on actual flows, BOD and TSS concentrations, see table below for Calculation Methodology and Increases					
		Dump Fee (\$/load)					
Domestic Dump Fees:		Current	2019-20	2020-21	2021-22	2022-23	2023-24
Loads from within District boundaries:		100.00	105.00	110.00	115.00	120.00	125.00
Loads from outside District boundaries:		130.00	160.00	165.00	175.00	180.00	190.00

Notes: Loads greater than 3,000 gallons will be charged an additional fee.
After-hours loads accepted for an additional fee of \$120.00/load.

MOJAVE AIR AND SPACEPORT - PROPOSED SEWER RATE INCREASE SCHEDULE:

Year	Unit Costs			Costs per MG			Total Cost per MG
	Flow	BOD	TSS	Flow	BOD	TSS	
2018-19	\$594.72	\$0.83	\$0.94	\$594.72	\$865.28	\$1,724.71	\$3,184.71
2019-20	\$719.47	\$0.90	\$0.99	\$719.47	\$938.25	\$1,816.45	\$3,474.17
2020-21	\$844.22	\$0.97	\$1.04	\$844.22	\$1,007.62	\$1,903.56	\$3,755.39
2021-22	\$968.96	\$1.03	\$1.09	\$968.96	\$1,078.79	\$1,992.98	\$4,040.73
2022-23	\$1,093.71	\$1.10	\$1.13	\$1,093.71	\$1,149.96	\$2,082.40	\$4,326.07
2023-24	\$1,218.46	\$1.17	\$1.18	\$1,218.46	\$1,221.13	\$2,171.82	\$4,611.41

Mojave Air and Spaceport is billed based on actual flows, BOD and TSS concentrations.

Two consecutive days of composite BOD and TSS samples will be taken once per month to include all days of the week to calculate a true average. Samples will be reviewed on an annual basis and adjustments to the pricing structure will be made accordingly. If the average BOD and TSS is higher or lower than 125 mg/L and 220 mg/L, respectively, the pricing in the above calculator shall be adjusted accordingly.