

**Apple Valley Foothill County Water District
Proposition 218 Notification
Notice of Public Hearing
Water Rate Adjustments**

Hearing Date and Time: July 23, 2024

Hearing Location: 22545 Del Oro Road, Apple Valley, CA 92308

This letter is to advise you that the Apple Valley Foothill County Water District is proposing a five-year water rate program adjustment for all residential customers. The proposal will be considered Apple Valley Foothill County Water District Board of Directors at a Public Hearing on July 23, 2024. You are receiving this notice in compliance with California Proposition 218 requirements that all impacted property owners are mailed notice of proposed rate changes at least 45 days prior to a public hearing.

BASIS OF PROPOSED RATES

The Apple Valley Foothill County Water District is required by State law to collect revenues sufficient to fund current and future costs of operating, maintaining, and administering the existing water facilities as well as to fund the capital improvements and infrastructure replacement program. These revenues allow the Apple Valley Foothill County Water District to protect public health and safely and reliably deliver clean, safe drinking water to all connections. By State law, the Apple Valley Foothill County Water District may not collect more revenue than is necessary to recover the costs of providing services. The proposed rates were developed through a comprehensive Water Rate Study designed to meet all legal requirements and fairly and equitably recover the required revenue. The Water Rate Study was prepared by Rural Community Assistance Corporation (RCAC) and provides a detailed explanation of the projected inflationary impact on operating costs and is available for review by the public at the district office located at 22545 Del Oro Road, Apple Valley, CA 92308.

WHY Apple Valley Foothill County Water District WATER RATES MUST BE ADJUSTED

Customer water rates are the primary source of revenue to operate the Apple Valley Foothill County Water District water system. These rates generate the revenue to operate the system and invest in necessary upgrades. To continue the Apple Valley Foothill County Water District water system's ability to provide reliable water services to our customers, rate increases are necessary to cover increasing operational costs. While the Apple Valley Foothill County Water District Board of Directors works diligently to contain costs. Financial planning and appropriate rate-setting based on cost of service is AVFCWD's responsibility, to ensure we deliver the service you deserve and water the quality and reliability you expect.

The rate proposal will be used to:

- Fund replacing our underground infrastructure
- Construct and modernize capital infrastructure to meet increasing water maintenance sufficient emergency reserves
- Address current and anticipated cost increases
- Ensure AVFCWD can withstand financial pressures that could result from increased regulation of water supply sources and mitigation of contaminants of emerging concern the level of existing and needed investment in water supply, water treatment and distribution infrastructure, and geographic location.

WHAT STEPS DID THE Apple Valley Foothill County Water District TAKE TO REDUCE COST BEFORE CONSIDERING INCREASING CUSTOMER RATES?

The Apple Valley Foothill County Water District conducted a comprehensive line by line review of the budgetary expenditures to maximize available resources and reduce operational costs to a minimum. We have reduced the recommended annual replacement reserves to a minimum and performed a comprehensive evaluation of general overhead expenses.

PROPOSITION 218 PUBLIC HEARING PROCEDURE

All property owners and other interested parties are invited to attend the hearing and present written and/or oral comments. As an owner or customer of record of a parcel subject to the imposition of the proposed rate adjustments, you may submit a written protest against the proposed rate changes. Only ONE written protest will be counted per identified parcel. If written protests are presented by a majority of the owners of property that is subject to the rate change prior to the end of the hearing, the Board of Directors cannot approve the change.

Written protests must include:

- Your original signature and date
- Your name typed or printed under the signature
- The address of the property
- An affirmation that you are the owner or customer of record of the property; and
- Your reasons for protest

Written protests will not be accepted by e-mail or fax. Verbal protests will not be counted. Protests must be received (not postmarked) prior to the close of the public hearing. Written protests may be submitted to:

22545 Del Oro Road, Apple Valley, CA 92308

The Board of Directors, after the close of the public hearing, will adopt the rates. The rates will not exceed the increases set forth herein. The adoption of the new rate schedule will take effect beginning August 1, 2024.

PROPOSED MONTHLY RATE SCHEDULE

The proposed rate schedule is set forth below. The water rates will be adjusted beginning on August 1, 2024. and will adjust by the greater of 2.5% percent or the current year’s Consumer Price Index annually for the subsequent four years. The final adjustment under this resolution will be on August 28, 2029. Any subsequent adjustments will be subject to a Proposition 218 hearing.

MONTHLY RATE SCHEDULES AS ADOPTED IN RESOLUTION NO. 001-2024

Current Base Rate	1st Year Rate	2nd Year Rate	3rd Year Rate	4th Year Rate	5th Year Rate
\$ 59.63	\$61.15	\$62.56	\$64.00	\$65.47	\$66.97
Unit of Measure	1st Year Rate	2nd Year Rate	3rd Year Rate	4th Year Rate	5th Year Rate
100 per CCF	\$2.00	\$2.05	\$2.09	\$2.14	\$2.19
Current Tier Structure	Current Rates				
0 - 900 per CCF	\$1.24				
1000-3400 CCF	\$1.38				
3,500+ CCF	\$2.11				

Any judicial action or proceeding to attack, review, set aside, void, validate, or annul an ordinance, resolution, or motion adopting a fee or charge for water service, or modifying or amending an existing fee or charge for water service, shall be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the ordinance, resolution, or motion, whichever is later.
