



**PALMDALE WATER DISTRICT**  
A CENTURY OF SERVICE

## IMPORTANT INFORMATION ABOUT PWD'S 2019 RATE STUDY



### WHY IS PWD CONDUCTING A RATE STUDY?

Every five years, Palmdale Water District (PWD) conducts a rate study to evaluate the water rates necessary to continue providing safe, reliable service to our customers. As mandated by Proposition 218, the study involves an in-depth financial analysis of PWD and updates the water budget rate structure to reflect new State mandated legislation for years 2020-2024. The study is conducted by an independent economic consultant.



Pipes, Pumps  
& Wells



New projects



Rising Cost  
of Water



New Regulations

#### INCREASED OPERATIONAL COSTS

The costs to purchase, pump, treat and deliver water are increasing.



#### CAPITAL PROJECTS FUNDING

It costs money to maintain and improve the infrastructure that supports water delivery, such as replacing aging pipelines and meters, facility maintenance, well and booster rehabilitation, and pump replacements.

#### WATER EFFICIENCY LEGISLATION

New water efficiency standards designed to make conservation a California way of life will set water-use regulations and new responsibilities for water suppliers across the State, causing an increase in costs.



### PWD AT-A-GLANCE

Palmdale Water District has been providing high-quality water at a reasonable cost since 1918. We are proud of our exceptional customer service, advocacy for local water issues that support our population of more than 115,000, community education on water-use efficiency, and regional leadership in researching and implementing new technologies that improve operational efficiency.

6.83 BILLION GALLONS  
of water produced annually

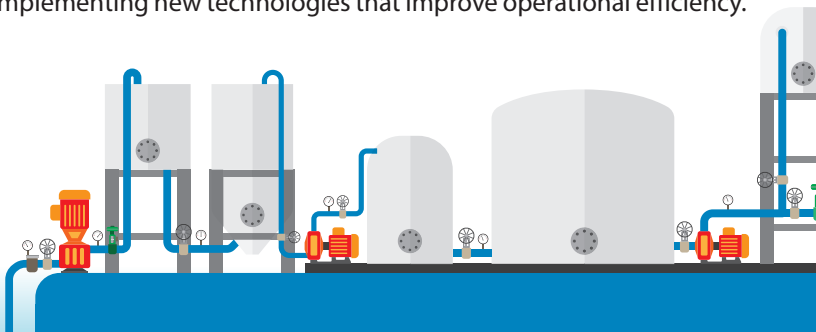
400+ MILES of pipe

24 WELLS

20 TANKS

2 dams and surface  
water reservoirs

1 potable water  
treatment plant





# UNDERSTANDING BUDGET-BASED RATES



Budget-based rates promote fairness, encourage water-use efficiency, reduce demand on the water supply and reward customers who use water efficiently. Our budget-based rate structure is designed to:



Drive consistent water-use efficiency



Cover the agency's costs to deliver water reliably



Fairly and equitably allocate water based on a customer's individualized needs



Meet State water-use efficiency standards



## PROPOSED WATER BUDGET ALLOCATIONS

Each customer currently receives a water budget for indoor and outdoor use that considers individual factors such as the number of people in the household, size of irrigable outdoor landscape, weather and State efficiency standards. However, new allocations are being considered to reflect more accurate landscape data and new State standards.



Tiers	Current Water Budget	Proposed Water Budget
<b>TIER 1</b> Essential Use = Indoor Allocation	66 gallons per person per day	55 gallons per person per day (complies with new regulations)
<b>TIER 2</b> Efficient Use = Outdoor Allocation	<ul style="list-style-type: none"><li>Estimated irrigable area - 50% of parcel size in square footage</li><li>Weather</li><li>Water supply conditions</li></ul>	<ul style="list-style-type: none"><li>Actual irrigable area - the amount of water required to maintain a healthy landscape as measured by aerial imagery*</li><li>Weather</li><li>Water supply conditions</li></ul>

Customers with special circumstances can request a larger water budget. Exceptions are made for larger households (more than four residents per single-family home), in-home day care or elder care, and medical needs. A variance form is available at [bit.ly/2z8BBR3](https://bit.ly/2z8BBR3).

\* PWD is using data from Geographic Information System (GIS)-based aerial landscape mapping to obtain actual square footage to accurately calculate customers' outdoor water needs. The map identifies structures, hardscapes, pools, irrigated landscaping and artificial turf.

# WATER EFFICIENCY LEGISLATION



California passed two bills (SB 606 and AB 1668) in 2018 that are intended to support long-term conservation goals and water supply reliability. The new regulations will increase costs for water agencies by requiring districts to:

- Establish water-use efficiency goals
- Meet new reporting requirements
- Replace aging pipes and mains to prevent leaks
- Update drought plans and conduct tests to ensure water service continuity
- Face penalties for violations

### DID YOU KNOW?

Palmdale Water District is required by law to only charge ratepayers the actual cost of providing water. Revenue from customers must be used to provide safe, reliable water. As a public agency, PWD does not make a profit.



# PROPOSED RATE CHANGES



## FIXED CHARGES AND VARIABLE RATES

Your water bill is comprised of both fixed charges and variable rates.



**FIXED CHARGE:** A fixed charge, or monthly service charge, stays the same every month no matter how much water you use and is based on the size of your meter. It covers the cost of operating and maintaining the water treatment and delivery system, including water storage, water testing and meter reading.



**VARIABLE RATE:** Variable rates change based on how much water you use. Your bill's variable rates include commodity rates. They pay for costs that change depending on how much water is used, including the cost of purchasing imported water and electricity. Only the accounts that exceed their water budget allocations would pay the higher tier (3-5) water rates.



## COMMODITY RATES

The commodity rate is based on the amount of water that flows through a customer's meter. It changes each billing cycle, depending on the amount of water used. The commodity rate is metered in hundred cubic feet (hcf) units, with one unit equal to 748 gallons.

### COMMODITY RATES (\$/HCF)

Tiers	Current Rate (2019)	% of water budget allocation	Proposed Rate (2020)	Proposed % of water budget allocation (2020)
Essential Use Tier 1	\$ 0.88	0 – 100% Essential Allocation	\$ 0.88	(No Change)
Efficient Use Tier 2	\$ 1.01	101% Essential Allocation – 100% Efficient Allocation	\$ 1.52	(No Change)
Tier 3	\$ 2.86	101 – 130% Efficient Allocation	\$ 2.03	(No Change)
Tier 4	\$ 4.31	131 – 160% Efficient Allocation	\$ 3.29	(No Change)
Tier 5	\$ 5.57	161% – 190% Efficient Allocation	\$ 4.64	161% and Above Efficient Allocation
Tier 6	\$ 7.16	191% and Above Efficient Allocation	(Removed)	(Not Applicable)



# 2019 RATE STUDY PUBLIC HEARING



DATE: Monday, October 28, 2019

TIME: 6 p.m.

LOCATION: Palmdale Water District  
Board Room  
2029 East Avenue Q, Palmdale

The public is encouraged to attend the hearing where the PWD Board of Directors will discuss and vote on the proposed changes to water rates. If you have questions or comments about the proposed rates, you can:



**CALL OR VISIT.** The rate study and other information on the proposed adjustments are available for review at Palmdale Water District and on our website: [www.palmdalewater.org](http://www.palmdalewater.org).



**WRITE.** Written protests may be delivered in person or mailed to PWD at 2029 East Avenue Q, Palmdale, CA 93550.



**ATTEND THE PUBLIC HEARING.** All members of the public will have an opportunity to speak and give testimony regarding the proposed rate changes.

By law, property owners and customers of record may submit a written protest to the proposed rate changes. Protests must be received before the conclusion of the public hearing.



## GET INVOLVED

### OPEN HOUSE AND COMMUNITY WORKSHOPS

#### COMMUNITY WORKSHOP 1

Wednesday, August 28, 2019  
5:30 p.m. – 8 p.m.

Palmdale Learning Plaza,  
38043 Division Street, Palmdale

#### OPEN HOUSE

Saturday, September 7, 2019  
9 a.m. – noon

Leslie O. Carter Water Treatment Plant  
700 East Avenue S, Palmdale

#### COMMUNITY WORKSHOP 2

Tuesday, September 24, 2019  
5:30 p.m. – 8 p.m.

Buena Vista Elementary School 37005  
Hillcrest Drive, Palmdale

## A VALID PROTEST MUST:

- Be in writing
- State opposition to the proposed water rate increase
- Include the location of owner's parcel by County Assessor's Parcel Number (APN) or by the parcel's street address
- List the owner's name
- Have an original signature
- Be mailed or delivered to PWD
- Be received before the end of



## REBATES AND WATER-USE EFFICIENCY PROGRAMS

### REBATES

**TOILET:** Save up to 15 gallons of water each day with a high-efficiency toilet (HETs) or a dual flush toilet

**HIGH EFFICIENCY CLOTHES WASHER:** Reduce energy costs by 50% while saving water

**SPRINKLER UPGRADE:** Under the Water-wise Sprinkler Upgrade Rebate Program, receive \$4 per HE/MP rotator nozzle

**MICRO-IRRIGATION CONVERSION:** Receive 25 cents per linear foot of micro-irrigation installed.

### WATER-USE EFFICIENCY PROGRAMS



RESIDENTIAL WATER SURVEY (REDUCE WATER WASTE)



WATER-WISE LANDSCAPE CONVERSION PROGRAM  
(TURF REMOVAL REBATE)