



# NOTICE OF PUBLIC HEARING

## PROPOSED CHANGES TO REPLENISHMENT ASSESSMENT CHARGES

**Date:** *May 24, 2016*

**Time:** *9:00 a.m.*

**Location:** *Coachella Valley Water District*

*51501 Tyler St. Coachella, CA 92236*

## IMPORTANT INFORMATION ABOUT RAC CHARGES FOR THOSE WHO PUMP MORE THAN 25 ACRE-FEET OF GROUNDWATER

The Coachella Valley Water District (CVWD) Board of Directors will conduct a public hearing to consider a proposed schedule of increases to the rates of the Replenish Assessment Charges (RAC) imposed on parcels located in the West Whitewater River and the Mission Creek areas of benefit. If approved by the CVWD Board of Directors, the increases will take effect on July 1, 2016, with subsequent increases proposed over the next four years.

The public hearing will be held at the time, date and location specified above.

All members of the public are invited to attend the public hearing.

This notice is being sent to all record owners of property upon which the proposed charges may be imposed and any tenants who are directly liable for the payment of such charges (i.e. customers of record who are not property owners).

CVWD is dedicated to keeping its customers informed throughout the process. (See "How Can I Participate?" to learn more.) More information about water rates and charges is included in this document and available at [www.cvwd.org/ratechanges](http://www.cvwd.org/ratechanges).

**PARA OBTENER ESTA  
INFORMACIÓN EN ESPAÑOL,  
LLAME AL (760) 391-9600**

# WHY HAVE I RECEIVED THIS NOTICE?

CVWD is contacting all RAC customers and property owners within the affected areas of benefit that could pump 25 acre-feet of groundwater in any year, and therefore may be subject to the proposed rate changes. As part of its commitment to transparency, the District is sharing information with the community and seeking input that the Board of Directors will use to make the right decision for the District and its ratepayers.



## WHAT IS A REPLENISHMENT ASSESSMENT CHARGE (RAC)?

CVWD has served as a steward of the Coachella Valley's groundwater resources for nearly 100 years. Ensuring that a reliable supply of water is available for the Valley's future families and businesses is a cornerstone of the District's mission to the communities it serves.

The Replenishment Assessment Charge, or RAC, is a key component of the Coachella Valley Water Management Plan, a blueprint for ensuring a reliable and sustainable long-term supply of high quality water for the Coachella Valley. The RAC generates revenue from large groundwater pumpers, such as golf courses, HOAs and agriculture to fund the replenishment of the groundwater with imported water and the expansion of the water system that supports supply reliability.



## WHO PAYS THE RAC?

The RAC is charged to all public and private entities that use a well or multiple wells that individually or collectively pump more than 25 acre-feet of water from the aquifer in any year.

## WHY IS AN INCREASE TO THE RAC BEING CONSIDERED?

CVWD recently hired an independent rate consultant who used industry standards and best practices to perform a comprehensive Cost of Service Study. The goal: develop rates that treat customers fairly, reflect the true cost of service and promote financial stability.

The proposed increases take into consideration:



*CVWD's commitment to protecting local water supplies by supplying non-potable water for large users as an alternative to groundwater pumping*



*Increased costs of imported water*



*Rising expenses to operate and maintain groundwater replenishment facilities*

# PROPOSED RATES

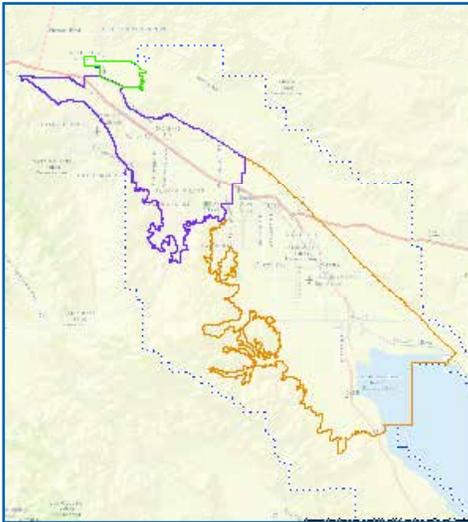
The chart below describes the current rates of the Replenishment Assessment Charge (RAC) and details the proposed schedule of increases. All rates are imposed on a dollar per acre-foot basis. (1 acre-foot = 325,851 gallons)

REPLENISHMENT FUND	CURRENT	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<i>West Whitewater</i>	\$112.00	\$145.60	\$189.28	\$227.14	\$261.21	\$300.39
<i>Mission Creek</i>	\$112.00	\$123.20	\$135.52	\$149.0	\$163.89	\$180.38

## WHY DO DIFFERENT AREAS HAVE DIFFERENT RACS?

There are three separate Areas of Benefit within the boundaries of CVWD in which the RAC is imposed. Different rates are established within each Area of Benefit to reflect the varying costs involved in implementing that area's replenishment projects and programs, including those designed to reduce groundwater pumping. For example, expansion of the nonpotable water system to golf courses and HOAs in the West Valley is designed to reduce groundwater pumping for the protection of the aquifer and ensure a reliable supply of groundwater. The cost of the project will be a significant but vital expense for groundwater pumpers in the West Whitewater River Area of Benefit. The amount imposed is calculated based on the amount of groundwater extracted in acre-feet.

## RAC SERVICE AREA MAP



### LEGEND

- Area Replenishment Charge in the West Valley
- Area Replenishment Charge in the West Valley
- Area Replenishment Charge in the West Valley
- CVWD's boundary



### CURRENT REPLENISHMENT ASSESSMENT CHARGES ACROSS CALIFORNIA\*

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

\$1,315 – \$1,815

SANTA CLARA VALLEY WATER DISTRICT

\$747

ORANGE COUNTY WATER DISTRICT

\$322

ALAMEDA COUNTY WATER DISTRICT

\$313

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

\$298

PAJARO VALLEY WATER MANAGEMENT DISTRICT

\$203 – \$258

COACHELLA VALLEY WATER DISTRICT (PROPOSED)  
WEST WHITEWATER & MISSION CREEK AREAS OF BENEFIT ONLY

\$123.20 – \$145

COACHELLA VALLEY WATER DISTRICT (CURRENT\*\*)  
WEST WHITEWATER & MISSION CREEK AREAS OF BENEFIT ONLY

\$112

DESERT WATER AGENCY

\$102

\*Rate per Acre-foot (AF)  
Dedicated agricultural rates excluded

## HOW ARE FUNDS FROM THE RAC USED?

RAC funds cover an important portion of the costs of replenishing the local groundwater supply and promoting projects and programs to reduce groundwater pumping, including the costs of:



*Expanding the non-potable water system to reduce groundwater pumping by supplying water from other sources to large users such as HOAs and golf courses*



*Importing water to replenish local groundwater supplies*



*Operating and maintaining groundwater replenishment facilities*



**COACHELLA VALLEY WATER DISTRICT**  
**P.O. BOX 1058**  
**COACHELLA, CA 92236**  
**WWW.CVWD.ORG**

## HOW CAN I PARTICIPATE?

*Coachella Valley Water District welcomes your input as its Board of Directors considers the changes explained in this notice. If you have questions or comments, you may:*



**Call, visit or log-on** – The Cost of Services Analysis, Rate Study, and more information on the proposed increases are available for review at the CVWD Office, by calling (760) 398-2661 ext. 2200, or on our website: [www.cvwd.org/ratechanges](http://www.cvwd.org/ratechanges).



**Write** – Any record owner of a parcel upon which the West Whitewater River or Mission Creek Replenishment Assessment Charges are or may be imposed, and any tenant or groundwater pumper who is directly liable for the payment of the West Whitewater River or Mission Creek Replenishment Assessment Charges has the right to submit a formal written protest to the proposed rates. Written protests may be mailed to: **Coachella Valley Water District, Attention: Clerk of the Board, PO Box 1058, Coachella, CA 92236** or hand delivered to: **Coachella Valley Water District, Attention: Clerk of the Board 51501 Tyler Street, Coachella, CA 92236** or **75515 Hovley Lane, Palm Desert, CA 92211**, or at the public hearing (date, time and location noted below). Written protests must be received prior to the conclusion of the public input portion of the public hearing. Protests to the RAC must include your name, signature, parcel number and/or where the well is located. Protests submitted by email or other electronic means do not count as formal written protests.



**Attend a public meeting/hearing** – The public hearing will take place on **May 24, 2016, at 9 a.m.** at the **CVWD office building, 51501 Tyler Street, Coachella, CA 92236**. At the public hearing, all members of the public will have an opportunity to speak, but verbal comments alone do not qualify as a formal protest. An informational presentation will be given at the Board of Directors meeting on **April 12, at 9 a.m.** at the **CVWD Steve Robbins Administration Building, 75515 Hovley Lane East, Palm Desert**.

**Public hearing process** – At the time of the public hearing, the Board of Directors will hear all oral comments and consider all written protests and public comments. After the hearing, if a majority of the property owners and tenants of the impacted parcels submit written protests in opposition to the proposed rate increases, the increases will not be imposed. If a majority protest is not received, CVWD's Board of Directors may adopt the proposed rates, though they are not obligated to. If adopted, the proposed rates will become effective **July 1, 2016**, and subsequent increases may be proposed annually over the next four years.