

NOTICE OF PUBLIC HEARING

To: Property Owner of Record; Tenant in Possession of Property; and All Parcels Within the Indian Wells Valley Water District that Receive Services

From: Indian Wells Valley Water District

Date: December 23, 2009

Notice is Hereby Given that on the 8th day of February, 2010 at 7:00 PM in the Board Room located at 500 W. Ridgecrest Boulevard, Ridgecrest, CA., the Indian Wells Valley Water District (District) will conduct a public hearing on the proposal to adjust and increase its water 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.

To account for continuing increases in the costs of water system operations and providing water services, the District's Board of Directors has proposed the increase in water service rates as detailed in the rate schedule on the reverse side (see Table 1). Further, it is proposed that the "Zone Charge" will be increased in the approximate amount of 3% annually for the next four years (see Table 4), and the "Ready to Serve Charge" will be increased in the approximate amount of 7% annually for the next four years (see Table 5).

The reason for the proposed increase in water service rates is due to the increasing cost of providing water services. These changes and suggested increases are based upon the findings of the water rate study completed by Bartle Wells Associates, an independent public finance and rate consultant. This study will be available, at the District's office, for the public to view 10 days before the public hearing. This study recommended that the District make the proposed changes to ensure adjustments necessary to keep up with the expenses in providing quality water services.

Please be advised that at the above-noticed public meeting, the District will also consider increases to other charges / fees which include: *Capital Facility Fees, *Distribution System Fees and Other Miscellaneous Fees and Charges (for example: after hours call-back charge, new account charge, meter fee, late bill notice fee, etc.). These are not new charges but merely an increase to existing charges. These proposed increases are also suggested by the Bartle Wells Water Rate Study and/or the District's own study and analysis of costs and resources. The increases are proposed as a result of the increased costs and necessity to provide sufficient revenue for the District's operating and capital improvement program.

*(*Denotes a one-time charge to new customers only)*

Assuming the proposed changes are approved on February 8, 2010, the effective dates of the changes are as follows:

<u>Charge / Fee/ Rate</u>	<u>Effective Date</u>
- Water Service Rate	March 1, 2010
- Connection Fee	April 9, 2010
- Capital Facility Fee	April 9, 2010
- Distribution System Charge	April 9, 2010
- All Other Changes	March 1, 2010

If you have any questions regarding the proposed changes, please call the District office at (760) 384-5515, see Table 2 for estimated rate impacts for Single Family Residential Bills and Table 3 for estimated rate impacts for Non-Single Family Residential Customers or check out the Bill Calculator at www.iwvwd.com. A complete copy of the proposed ordinance and water study report describing the proposed changes to the charges, fees, and rates, and basis for such, will be available for inspection in the office of the District ten (10) days before the public hearing, during normal business hours.

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 500 W. Ridgecrest Blvd., P.O. Box 1329, Ridgecrest, CA 93556. Include the address or the property's Assessors Tax Number for each property for which a protest or other response is being made.

Table 1

		Current	Proposed Monthly Rates			
			March 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
QUANTITY RATE						
SINGLE FAMILY RESIDENTIAL (per hcf)						
Tier 1	0 - 5	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	5.01 - 12	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	12.01 - 24	\$1.09	\$1.16	\$1.25	\$1.34	\$1.43
Tier 4	24.01 - 31	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	31.01 - 38	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	38.01 - 45	\$1.76	\$2.04	\$2.75	\$2.94	\$3.15
Tier 7	45.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
NON-SINGLE FAMILY RESIDENTIAL (per hcf)						
5/8" Meter						
Tier 1	0 - 5	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	5.01 - 10	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	10.01 - 15	\$1.09	\$1.16	\$1.25	\$1.34	\$1.43
Tier 4	15.01 - 20	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	20.01 - 25	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	25.01 - 30	\$1.76	\$2.04	\$2.75	\$2.94	\$3.15
Tier 7	30.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
3/4" Meter						
Tier 1	0 - 8	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	8.01 - 15	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	15.01 - 23	\$1.09	\$1.16	\$1.25	\$1.34	\$1.44
Tier 4	23.01 - 30	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	30.01 - 38	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	38.01.01 - 45	\$1.76	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	45.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
1" Meter						
Tier 1	0 - 13	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	13.01 - 25	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	25.01 - 38	\$1.09	\$1.16	\$1.25	\$1.34	\$1.44
Tier 4	38.01 - 50	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	50.01 - 63	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	63.01 - 75	\$1.76	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	75.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
1-1/2" Meter						
Tier 1	0 - 25	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	25.01 - 50	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	50.01 - 75	\$1.09	\$1.16	\$1.25	\$1.34	\$1.44
Tier 4	75.01 - 100	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	100.01 - 125	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	125.01. - 150	\$1.76	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	150.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
2" Meter						
Tier 1	0 - 40	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	40.01 - 80	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	80.01 -120	\$1.09	\$1.16	\$1.25	\$1.34	\$1.44
Tier 4	120.01 - 160	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	160.01 - 200	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	200.01. - 240	\$1.76	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	240.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
3" Meter						
Tier 1	0 - 80	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	80.01 - 160	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	160.01 -240	\$1.09	\$1.16	\$1.25	\$1.34	\$1.44
Tier 4	240.01 - 320	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	320.01 - 400	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	400.01. - 480	\$1.76	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	480.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
4" Meter						
Tier 1	0 - 125	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	125.01 - 250	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	250.01 - 375	\$1.09	\$1.16	\$1.25	\$1.34	\$1.44
Tier 4	375.01 - 500	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	500.01 - 625	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	625.01 - 750	\$1.76	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	750.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
6" Meter						
Tier 1	0 - 250	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	250.01 - 500	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	500.01 - 750	\$1.09	\$1.16	\$1.25	\$1.34	\$1.44
Tier 4	750.01 - 1000	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	1000.01 - 1250	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	1250.01 - 1500	\$1.76	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	1500.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
8" Meter						
Tier 1	0 - 400	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	400.01 - 800	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	800.01 - 1200	\$1.09	\$1.16	\$1.25	\$1.34	\$1.44
Tier 4	1200.01 - 1600	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	1600.01 - 2000	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	2000.01 - 2400	\$1.76	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	2400.01 & over	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73
10" Meter (1)						
Tier 1	0 - 575	n/a	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	575.01 - 1150	n/a	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	1150.01 - 1725	n/a	\$1.16	\$1.25	\$1.34	\$1.44
Tier 4	1725.01 - 2300	n/a	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	2300.01 - 2875	n/a	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	2875.01 - 3450	n/a	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	3450.01 & over	n/a	\$2.47	\$4.13	\$4.42	\$4.73

1 The District currently does not have any 10" meter customers but may in the future. Therefore, a 10" meter rate has been added.

**Table 2
Estimated Rate Impacts for Single Family Residential Customers (Not Including Zone Charges)**

Customer	Water Use (hcf)	Current	Projected Monthly Bill			
			March 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
5/8" Meter (3,214 Residential Accounts)						
Tier 1	5	\$18.83	\$19.90	\$21.04	\$22.51	\$24.07
Tier 2	12	\$25.41	\$26.34	\$28.04	\$30.00	\$32.05
Tier 3	24	\$41.64	\$40.26	\$51.79	\$55.45	\$59.24
Tier 4	31	\$53.94	\$50.27	\$55.29	\$59.17	\$63.21
Tier 5	38	\$67.31	\$62.94	\$71.04	\$76.04	\$81.27
Tier 6	45	\$80.68	\$77.22	\$90.29	\$96.62	\$103.32
Tier 7	60	\$109.33	\$114.27	\$152.24	\$162.92	\$174.27
3/4" Meter (7,037 Accounts)						
Tier 1	5	\$26.47	\$28.07	\$29.79	\$31.88	\$34.10
Tier 2	12	\$32.12	\$34.51	\$36.79	\$39.37	\$42.08
Tier 3	24	\$44.80	\$48.43	\$51.79	\$55.45	\$59.24
Tier 4	31	\$54.31	\$58.44	\$64.04	\$68.54	\$73.24
Tier 5	38	\$65.44	\$71.11	\$79.79	\$85.41	\$91.30
Tier 6	45	\$77.76	\$85.39	\$99.04	\$105.99	\$113.35
Tier 7	60	\$106.41	\$122.44	\$160.99	\$172.29	\$184.30
1" Meter (276 Residential Accounts)						
Tier 1	5	\$41.75	\$44.42	\$47.28	\$50.59	\$54.12
Tier 2	12	\$46.72	\$50.86	\$54.28	\$58.08	\$62.10
Tier 3	24	\$57.11	\$64.78	\$69.28	\$74.16	\$79.26
Tier 4	31	\$64.53	\$74.79	\$81.53	\$87.25	\$93.26
Tier 5	38	\$72.16	\$87.46	\$97.28	\$104.12	\$111.32
Tier 6	45	\$81.40	\$101.74	\$116.53	\$124.70	\$133.37
Tier 7	60	\$103.90	\$138.79	\$178.48	\$191.00	\$204.32

**Table 3
Estimated Rate Impacts for Non-Single Family Residential Customers (Not Including Zone Charges)**

Customer	Water Use (hcf)	Current	Projected Monthly Bill			
			March 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
Meter Size						
5/8"	5	\$18.83	\$19.90	\$21.04	\$22.51	\$24.07
5/8"	20	\$35.28	\$37.45	\$41.04	\$43.91	\$46.92
5/8"	35	\$61.58	\$69.05	\$86.69	\$92.76	\$99.22
3/4"	8	\$28.60	\$30.20	\$31.92	\$34.16	\$36.53
3/4"	30	\$55.75	\$55.93	\$64.20	\$68.14	\$72.28
3/4"	50	\$87.31	\$97.04	\$119.07	\$127.42	\$136.29
1"	13	\$47.43	\$50.10	\$52.96	\$56.67	\$60.60
1"	50	\$88.00	\$93.38	\$102.21	\$109.37	\$116.87
1"	100	\$177.54	\$203.14	\$267.71	\$286.48	\$306.47
1 1/2"	30	\$98.55	\$104.10	\$110.22	\$117.94	\$126.09
1 1/2"	100	\$176.40	\$187.25	\$205.22	\$219.59	\$234.89
1 1/2"	200	\$355.65	\$407.00	\$536.72	\$574.34	\$614.39
2"	85	\$191.30	\$201.81	\$214.62	\$229.67	\$245.40
2"	140	\$255.85	\$271.01	\$293.37	\$313.97	\$335.45
2"	300	\$530.85	\$601.81	\$776.17	\$830.57	\$888.45
3"	400	\$691.69	\$744.00	\$836.71	\$895.50	\$957.27
3"	700	\$1,252.69	\$1,450.60	\$1,965.31	\$2,103.10	\$2,249.87
4"	700	\$1,212.77	\$1,315.51	\$1,513.62	\$1,619.74	\$1,732.00
4"	1,000	\$1,778.27	\$2,035.01	\$2,683.62	\$2,871.74	\$3,072.00
6"	1,500	\$2,601.53	\$2,835.01	\$3,302.24	\$3,533.47	\$3,778.99
6"	5,000	\$9,286.53	\$11,480.01	\$17,757.24	\$19,003.47	\$20,333.99
8"	2,400	\$4,162.45	\$4,536.02	\$5,283.58	\$5,653.55	\$6,046.38
8"	8,000	\$18,678.45	\$23,308.02	\$36,671.58	\$39,245.55	\$41,994.38
10"	10,000	n/a	\$35,048.95	\$55,296.56	\$59,177.89	\$63,323.07

Table 4	Proposed Monthly Zone Charges				
	Current	March 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
Zone					
A	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
B	\$0.101	\$0.104	\$0.107	\$0.110	\$0.114
C	\$0.204	\$0.208	\$0.214	\$0.220	\$0.227
D	\$0.305	\$0.312	\$0.321	\$0.331	\$0.341
E	\$0.408	\$0.416	\$0.428	\$0.441	\$0.454

Table 5	Proposed Monthly Ready-To-Serve (Basic) Charges				
	Current	March 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
Meter Size					
5/8-inch	\$15.28	\$16.35	\$17.49	\$18.71	\$20.02
3/4-inch	\$22.92	\$24.52	\$26.24	\$28.08	\$30.05
1-inch	\$38.20	\$40.87	\$43.73	\$46.79	\$50.07
1 1/2-inch	\$76.40	\$81.75	\$87.47	\$93.59	\$100.14
2-inch	\$122.25	\$130.81	\$139.97	\$149.77	\$160.25
3-inch	\$244.49	\$261.60	\$279.91	\$299.50	\$320.47
4-inch	\$382.02	\$408.76	\$437.37	\$467.99	\$500.75
6-inch	\$764.03	\$817.51	\$874.74	\$935.97	\$1,001.49
8-inch	\$1,222.45	\$1,308.02	\$1,399.58	\$1,497.55	\$1,602.38
10-inch (1)	n/a	\$1,880.20	\$2,011.81	\$2,152.64	\$2,303.32