



**NOTICE OF PUBLIC HEARING
ON PROPOSED WATER RATES AND SERVICE CHARGE INCREASES AND
MODIFICATIONS TO EXISTING RATE STRUCTURE**

PLEASE TAKE NOTICE that the Governing Board of the Vista Irrigation District (District) will conduct a Public Hearing on January 19, 2022 at 9:00 a.m., in the Board Room at its Administrative Office at 1391 Engineer Street, Vista, CA 92081, to consider the adoption of proposed water rate and service charge increases, adjustments to the District's existing rate structure, and authorizing the pass-through of inflationary and other pass through costs pursuant to Government Code section 53756.

This legal notice contains information regarding increases to water rates and service charges charged for providing water service to all parcels of land within the boundaries of the Vista Irrigation District as well as alterations to the District's existing rate structure. The District periodically evaluates its service needs, programs and operational costs before recommending rate changes to the District's Board of Directors. As a result of this evaluation, the District proposes to adjust tier allotments, increase water rates to generate sufficient revenue to cover the costs of providing water service, and extend and modify annual cost of living adjustments and wholesale purchased water pass-through costs to cover the District's future cost of providing water service.

Prior to adoption of this rate increase and methodology adjustment, District customers (property owners and tenants that pay the District's bills) are notified by mail about proposed rate changes and given the opportunity to comment and file a written protest. This notice provides information related to the District's proposed water rate increases and modification to the District's rate structure. This notice also describes periodic adjustments for increases in wholesale water rates and increases in the rate of inflation that may be necessary over the next five years. Finally, this notice outlines the public hearing and protest process for the public hearing set for January 19, 2022 at the District offices, per Proposition 218.

PROPOSED EFFECTIVE DATE

The water rates being considered would be reflected on invoices sent on or after April 1, 2022. The District bills for water service in arrears, water bills received on or after April 1, 2022 will reflect the adjusted rates for the customer's billing period (which may be monthly or bi-monthly) prior to that date.

**WHY ARE THE MODIFICATIONS TO THE RATE, SERVICE CHARGE, AND RATE STRUCTURE
NEEDED AND WHAT IS THE BASIS FOR THAT THAT CALCULATION?**

The proposed water rate increases and rate structure modifications are being considered for the purpose of recovering costs incurred by the District in operating its water system and otherwise delivering water to its customers. Costs include, but are not limited to, water purchases from the San Diego County Water Authority (Water Authority), system operation and maintenance, facility and equipment maintenance, system rehabilitation, regulatory compliance, metering, billing, conservation and account management.

A detailed projection of the District's Revenues, Expenses and Capital Projects through Fiscal Year 2027 was completed, and it was determined that \$16,262,819 in Capital Improvement Reserves would need to be used to fund reservoir rehabilitation/replacement as well as other vital capital projects. This would leave a balance of \$4,083,678 at June 30, 2027 with capital expenditures for Fiscal Years 2028 and 2029 projected to be \$10,252,627 and \$18,026,577 respectively; the \$4,083,678 Capital Improvement Reserve balance would not be sufficient to fund projects in Fiscal Years 2028 and 2029. Some of the capital projects included during those years are the rehabilitation of the Pechstein and "A" reservoirs and the construction of Pechstein II Reservoir (see Water Rate Study at www.vidwater.org for a listing of future capital projects).

The reason for the proposed rate increases is to generate approximately \$2,163,000 in additional revenue in Fiscal Year 2023 for the District. The proposed rate increases provide funding for necessary repairs and improvements to the District's aging infrastructure, ensuring the District is able to continue to provide a reliable supply of high quality water to its current and future customers. For additional information or calculations on the proposed increase and structure modifications and why there is a need, you can find the District's Water Rate Study at www.vidwater.org or contact Customer Service for a mailed copy.

PROPOSED CHANGES TO RATES, RATE STRUCTURES AND SERVICE CHARGES

Proposed Rate Increase and Rate Structure Modifications - As with the District's existing rate structure, the proposed water rates and rate structure will continue to be based on three separate tiers. Likewise, the water allotment for each tier will continue to be based on meter size, so that as the size of a meter increases so does the water allotment.

The Tier 1 limit had been set in 2009 based on 50% of the average ¾" meter usage. For the purposes of this rate increase and rate structure modification, the tiers have been adjusted using the same methodology. As such, the Tier 1 allotment has been recalculated to be based on the *current* average water consumption usage of a ¾" meter and all meter sizes have been adjusted accordingly, as reflected in Figure 1 (one unit equals 748 gallons of water). The upper limit allotment for Tier 2 did not change.

Figure 1. Rate Structure Modification

Meter Size	Monthly Water Allotments by Tier			
	Current Tier 1 Allotment	Proposed Tier 1 Allotment	Proposed Tier 2 Allotment	Proposed Tier 3 Allotment
5/8"	0-7	0-4	5-42	43+
3/4"	0-10	0-6	7-60	61+
1"	0-25	0-15	16-150	151+
1 1/2"	0-50	0-30	31-300	301+
2"	0-80	0-48	49-480	481+
3"	0-160	0-96	97-960	961+
4"	0-250	0-150	151-1,500	1,501+
6"	0-500	0-300	301-3,000	3,001+
8"	0-800	0-480	481-4,800	4,801+
10"	0-1150	0-690	691-6,900	6,901+

Tier 1 rates will increase from \$4.44 to \$4.72 and Tier 2/3 will increase from \$4.98 to \$5.19. For agricultural water program participants, domestic and Special Agricultural Water Rate (SAWR) program water use will continue to be billed at a flat rate.

Figure 2. Proposed Water Usage Charge Adjustments

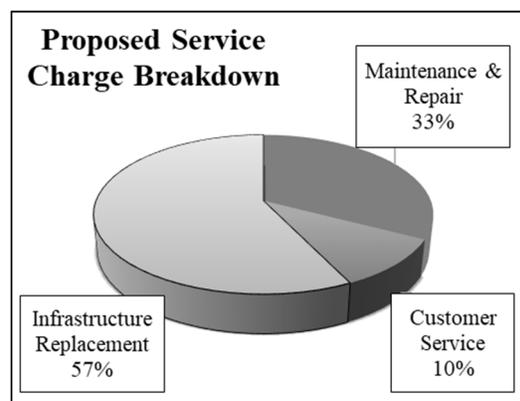
	Current Rates Per Unit	Vista Irrigation District Increase	San Diego County Water Authority Pass-through	Rebate credit applied to Pass-through Increase	Proposed Total Rates Per Unit
Tier 1	\$4.44	\$0.16	\$0.20	-\$0.08	\$4.72
Tier 2/3	4.98	0.09	0.20	-0.08	5.19
Agricultural Programs Only					
Domestic usage	4.76	0.15	0.20	-0.08	5.03
SAWR usage	3.91	0.07	0.20	-0.08	4.10

Approximately 20 percent of the revenue generated by water usage charges is utilized by the District to cover operating and maintenance expenses; the remaining 80 percent is used to pay the San Diego County Water Authority (Water Authority) for water purchases. The Water Authority is responsible for supplying water to 24 member agencies within San Diego County and for the construction and maintenance of regional storage, delivery and treatment infrastructure necessary to ensure the reliable delivery of water to local water agencies.

Service Charge - The District proposes to adjust the fixed monthly service charge as shown in Figure 3.

Figure 3. Proposed Service Charge Adjustment and Cost Breakdown

Meter Size	Current	Proposed
5/8"	\$31.75	\$32.82
3/4"	41.88	43.3
1"	61.89	63.98
1-1/2"	112.34	116.14
2"	172.66	178.5
3"	333.57	344.85
4"	514.49	531.89
6"	1,218.45	1,259.65
8"	1,620.90	1,675.71
10"	2,425.46	2,507.47



The service charge recovers the District's customer service, repairs and maintenance and the majority of the infrastructure replacement, which exists regardless of the amount of water pumped and delivered. These costs continue without regard to the amount of water that a customer uses and are sometimes called "readiness-to-serve" charges. The largest component of the service charge recovers the cost of replacing the District's aging water system infrastructure.

INFLATIONARY ADJUSTMENTS AND PASS-THROUGH INCREASES TO RATES AND CHARGES

The proposed rate increase covered by this notice, also includes authorized adjustments between 2023 and 2027, as and to the extent permitted by section 53756 of the Government Code, which if approved by the District Board after public hearing, will authorize the District to pass through to customers any increases or decreases from the Water Authority, and to impose inflationary adjustments to the District's service charges on a yearly basis. Any inflationary adjustments shall be calculated as an increase or decrease equal to the amount of the increase or decrease in the U.S. Department of Labor's Consumer Price Index – All Urban Consumers – San Diego, California for the previous calendar year ended. These adjustments shall be effective July 1 each year, commencing July 1, 2023 through July 1, 2026. This inflationary adjustment is only applied to District costs. In regards to the Water Authority's costs and potential increases or decreases of the same, the District proposes to pass through 100% of any increases or decreases in the Water Authority's fees and charges imposed on the District for imported water purchases through December 31, 2026.

PUBLIC HEARING AND PROTEST INFORMATION AND PROCEDURES.

The District will accept written comments or protests prior to and up until the conclusion of the public hearing. As explained on page 1 of the notice, the public hearing will be held on January 19, 2022 at 9:00 a.m. in Board Room at the District's Administrative Office located at 1391 Engineer Street, Vista, CA 92081.

As of the date of this notice, there exists a state of emergency in California caused by COVID-19; however, unless a subsequent agenda or public notice provides otherwise, the District intends to conduct its meetings in a hybrid fashion, allowing for individuals to participate in public meetings in-person, observing California Department of Public Health COVID-19 related guidance, or if they prefer, via teleconferencing. The teleconference number and applicable pass code for such participation is as follows: Phone (877) 873-8018; Pass Code 474698#.

Written protests to the proposed rate increase may be submitted to the Secretary of the District's Board of Directors by mail to 1391 Engineer Street, Vista, CA 92081, or by personal delivery to the District, at the same address, prior to the conclusion of the public hearing. Each protest must identify the affected property (by assessor's parcel number, customer account number or street address) and include the signature of the property owner of record or the tenant (if the tenant is directly responsible for paying the District's water bill). Protests by e-mail or fax will not be accepted. Oral comments at the public hearing will not qualify as a formal protest though the District Board will consider all public comments submitted during the public hearing. If written protests against the proposed rate increase are presented by a majority of eligible owners or tenants within the District's service area prior to the close of the public hearing, the proposed rate increase and rate structure adjustment will not be approved.

Pursuant to Government Code Section 53759, any judicial action taken to challenge the adoption of any new, increased, or extended fees, which would include the fees that are the subject of this notice, is subject to a 120-day statute of limitations. As such, any judicial action or proceeding to attack, review, set aside, void, validate, or annul the District's approval of this proposed rate and service charge increase or rate structure modification, must be commenced within 120 days of the effective date of the modification or of the date of the final passage, adoption, or approval of the ordinance, resolution, or motion, whichever is later.

If you need assistance determining how the proposed changes in water rates and structure impact your water bills or have questions regarding this notice, please contact the District's Customer Service Department at (760) 597-3120 during regular office hours, Monday through Friday. You can also use the District's online water bill calculator, which is available on the District's web site at www.vidwater.org, to see how the proposed changes impact your water bill. Likewise, on that same website, you will find a variety of different resources, including the District's Water Rate Study made in support of these proposed rate increases, and tier adjustments.



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