

## Frequently Asked Questions – Proposed Rates

### Why am I receiving this Proposition 218 Notice?

Following Proposition 218 procedures for new or increased fees and charges, the agency shall provide written notice by mail of the proposed fee or charge to the record owners of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge. The agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice of the proposed fee or charge to the record owners of each identified parcel upon which the fee or charge is proposed for imposition. At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.

### When is the public hearing?

Date: May 23, 2023

Time: 1:00 p.m.

Location: Valley Sanitary District

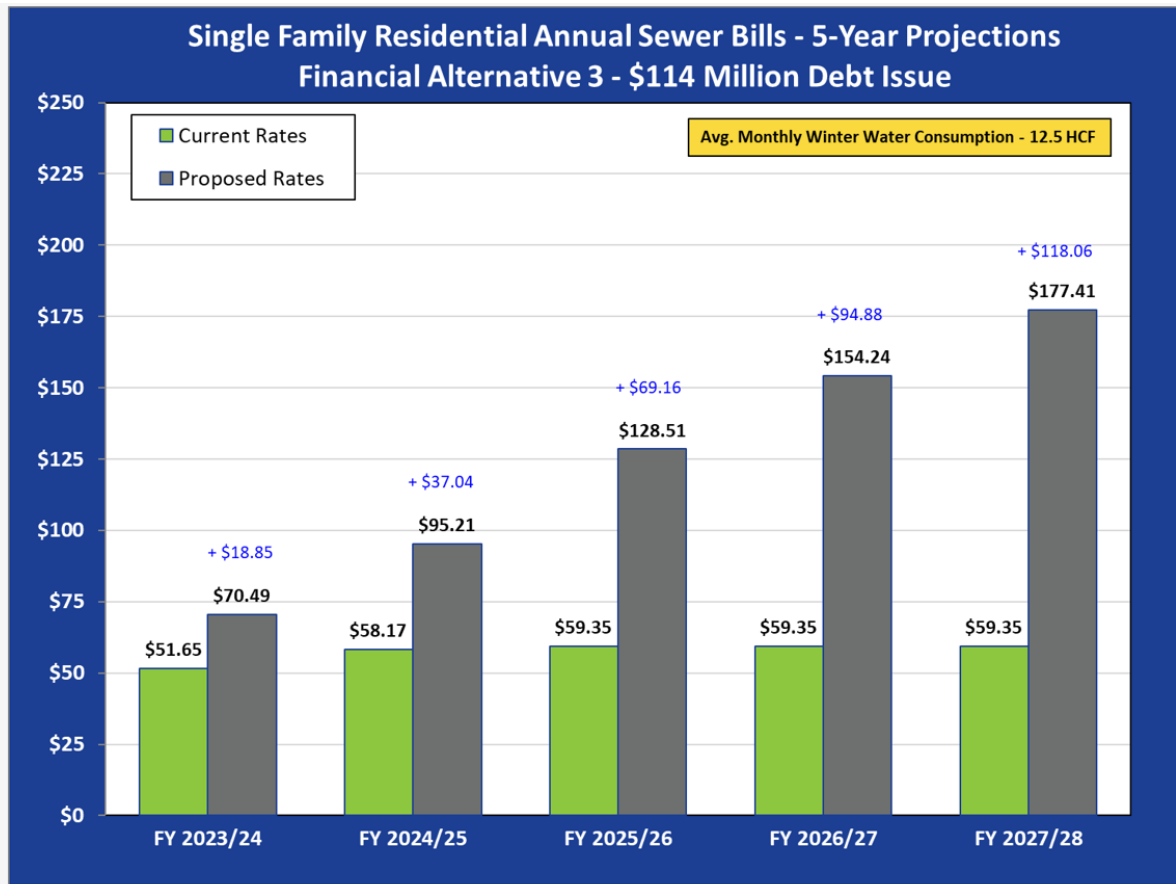
45-500 Van Buren Street, Indio, CA 92201

### What are the proposed rates?

Proposed Annual Sewer Rate Schedule July 1, 2023 – June 30, 2028

Annual Sewer Rate Schedule	<i>Current</i>	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Programa Anualde Tarifas de Alcantarillado	<i>Ahora</i>					
<b>Fixed Service Charges (Cargo Por Servicio Fijo)</b>						
<b>Residential</b>		<b>Rates Per EDU or Account</b>				
Single-Family Residential (Unifamiliar)	<b>\$385.56</b>	\$591.82	\$798.96	\$1,078.60	\$1,294.32	\$1,488.47
Multi-Family Residential (Multifamilia)	<b>\$168.75</b>	\$269.26	\$363.50	\$490.73	\$588.88	\$677.21
Mobile Home (Casas Moviles)	<b>\$203.94</b>	\$300.49	\$405.66	\$547.64	\$657.17	\$755.75
RV Park (Parque RV)	<b>\$158.91</b>	\$228.25	\$308.14	\$415.99	\$499.19	\$574.07
<b>Non-Residential</b>		<b>Rates Per EDU</b>				
Commercial - Low Strength (Baja Resistencia)	<b>\$223.91</b>	\$355.34	\$479.71	\$647.61	\$777.13	\$893.70
Commercial - High Strength (Alta Resistencia)	<b>\$682.88</b>	\$1,076.04	\$1,452.65	\$1,961.08	\$2,353.30	\$2,706.30
<b>Volumetric Rate (Tasa Volumetrica)</b>						
<b>Residential</b>		<b>\$/HCF - Average Winter Water Consumption (\$ por hcf consumo medio de agua en invierno)</b>				
Single-Family Residential (Unifamiliar)	<b>\$1.10</b>	\$1.69	\$2.29	\$3.09	\$3.71	\$4.27
Multi-Family Residential (Multifamilia)	<b>\$1.10</b>	\$1.69	\$2.29	\$3.09	\$3.71	\$4.27
Mobile Home (Casas Moviles)	<b>\$1.10</b>	\$1.69	\$2.29	\$3.09	\$3.71	\$4.27
<b>Non-Residential</b>		<b>\$/HCF - Annual Water Consumption (\$/hcf del consume de agua anualizado)</b>				
RV Park (Parque RV)	<b>\$1.23</b>	\$1.77	\$2.39	\$3.23	\$3.88	\$4.46
Commercial - Low Strength (Baja Resistencia)	<b>\$0.99</b>	\$1.57	\$2.12	\$2.86	\$3.43	\$3.94
Commercial - High Strength (Alta Resistencia)	<b>\$2.25</b>	\$3.55	\$4.79	\$6.47	\$7.76	\$8.92

## What will the average single-family residential customer pay?



### Annual estimated bill for a single-family residential customer?

FY2023/24 = \$845.88

FY2024/25 = \$1,142.52

FY2025/26 = \$1,542.12

FY2026/27 = \$1,850.88

FY2027/28 = \$2,128.92

### Why the increase?

Revenue requirements to meet debt ratios, providing greater financial stability for the sewer enterprise, addressing the ongoing need for capital improvements, and complying with specific legal requirements both state and federally mandated for the district's permit.

Some of the key projects include:

- A. The Recycled Water Project is needed to achieve a tertiary water treatment process. The tertiary treatment adds a third, more advanced, and rigorous level of treatment. Primary and secondary treatments typically get wastewater only clean enough to discharge safely into the environment. Tertiary treatment, on the other hand, can achieve levels of water purification that make the

water safe for reuse in water-intensive processes or even as drinking water. The cost estimate is \$197M.



- B. Sewer Main Rehabilitation at \$52M to repair or replace the sewer system in Indio covering 19 square miles or ~260 miles of piping. The sewer system was implemented in 1925.
  - a. Water reclamation service is one of the most capital-intensive products.
  - b. Asset life varies between 20 to 100 years.
  - c. Many assets are buried underground, hard to see, hard to access, and at the end of their useful life.
- C. Biosolid conversion project \$3M. This project will allow the District to turn the biosolids into fertilizer that can be utilized by agriculture or golf courses. There are changes to the policy that will require alternative methods of disposal of biosolids since Arizona has placed a measure to no longer allow outside waste to be transported into Arizona. Not to mention that the annual disposal fee has reached almost \$500,000 annually, double the yearly cost of the fiscal year 2021/22.

### **Why the change from the 2021 study?**

After the rate study was completed and implemented, construction inflation costs increased exponentially. One example is the Recycled Water Project Phase 1 came in \$30.3M over the original estimate.

### **Why are you priced higher than the other regions?**

Some variances are due to the population size and different treatment processes. For instance, some agencies have a customer population of 300K+, whereas Indio has a population of ~89K. Also, VSD is investing heavily in its capital infrastructure, achieving a tertiary water system by fiscal 2026/27. Additionally, there are some permit and regulatory requirements that VSD needs to make to comply with both the state and the EPA.

### **Do I need to be present at May 23, 2023, meeting to protest?**

No. You may protest and cast your vote via mail. All written protests must be received by 1:00 p.m. Tuesday, May 23, 2023.

### **How can you cast your vote?**

The Board will count only one written protest per parcel.

***Mail a letter of protest to:***

Board of Directors, Valley Sanitary District

45-500 Van Buren Street, Indio, CA 92201

***Protests must contain the following information:***

- a description of the property (parcel #);
- state if you are the property owner of record or tenant; and
- the parcel owner's or tenant's signature.