

## **NOTICE OF PUBLIC HEARING**

### **Concerning Proposed Rate Increases for Santa Margarita Water District Potable Water, Recycled Water, and Wastewater Service Fees**

**NOTICE IS HEREBY GIVEN THAT** the Board of Directors of the Santa Margarita Water District (the “District”) will conduct a public hearing, on December 8, 2021, at 5:30 p.m., to consider adopting increases in the rates for its water, recycled water, and wastewater service fees. The District currently expects the public hearing will be held virtually. Information on how to attend virtually will be made available on the District’s website at <https://www.smwd.com> as soon as practicable, on the “Meetings and Agendas” page. In the event public hearing is held in person, the meeting will be held in the Board Room of the District Headquarters located at 26111 Antonio Parkway, Rancho Santa Margarita, CA 92688.

#### **REASONS FOR THE PROPOSED RATE INCREASES**

The District makes every effort to provide its customers with water and wastewater services in the most efficient and cost-effective manner possible. The District is preparing for the future and undertaking strategic projects to increase local potable and recycled water supplies. While the District continually strives for cost efficiencies, it also needs to keep pace with inflation and other cost increases, including, among others, the cost to purchase water and comply with regulations governing the treatment of water and wastewater. In addition, the District is underway with its several critical capital projects, which will be funded through rates, grants, and capital financing. To address the District’s increased costs, the District conducted a Cost of Service and Rate Study (“2019 Study”) in 2019, which projected a need to increase rates over a five-year period. Subsequently, the District conducted an Addendum to the 2019 Study in 2021, which updated projections in the 2019 Study to reflect current circumstances (collectively, the “Study”). The Study is available for inspection at the District’s offices or online at <http://www.smwd.com/159/Rates>. The Study demonstrates that the fees and charges proposed in this notice do not exceed your proportional cost of service.

#### **PROPOSED POTABLE AND RECYCLED WATER RATES**

The District’s rate structure for potable water service fees has five customer classes: (1) Single-Family Residential (SFR); (2) Multi-Family Residential (MFR), which includes Multi-Family Common (MFC); (3) Commercial (includes commercial, industrial, governmental, and institutional customers); (4) Irrigation; and (5) Construction. The rate structure for the recycled water service fees has three customer classes – (1) Irrigation, (2) Construction and (3) Commercial. The rates for both potable and recycled water service fees are comprised of three components: (1) a Fixed Base Charge; (2) a Commodity Charge; and (3) a Power Surcharge. The Commodity Charge and Power Surcharge are billed per one hundred cubic feet (CCF) of water, where each CCF is equal to 748 gallons. In addition, the District imposes Private Fire Service Charges on certain properties that have a private fire service meter.

For Single-Family Residential, Multi-Family Residential, and Irrigation (for both potable and recycled water) customers, the Commodity Charge is tiered. For other customers, the Commodity Charge is imposed at a uniform rate per unit of water consumed. Proposed potable water rates for Single-Family and Multi-Family Residential customers have four tiers, and Irrigation customers have three tiers (for both potable and recycled water). For Single-Family Residential and Irrigation customers, tier breakpoints are determined in accordance with individual water budgets, all as more specifically described below.

### **Water Budgets and Tiered Rates**

Water is a vital resource. For health and safety reasons, indoor water usage is given the highest priority by State law, whereas outdoor water usage for landscape irrigation is considered less essential. To better manage water supplies, the District is proposing to continue imposing potable and recycled water service fees based on individualized water budgets. A “water budget” refers to an allocation of a reasonable amount of water for the customer’s monthly water usage based on the individual customer’s needs and reflects the actual cost of service based on water usage. Water budgets are appropriate for these classes of customers because the irrigable area can be measured, and an appropriate allocation can be determined.

Water rates for Single-Family Residential customers are given an indoor and an outdoor water budget (together the “Total Indoor and Outdoor Water Budget” or “TWB”). The standard indoor water budget is calculated as follows:

- Single-Family Residential indoor budget = household size (assumed to be 4 persons with variances available for larger households) X 55 gallons per person per day X number of days in the billing cycle ÷ 748 conversion factor (conversion factor to calculate budget in CCF)

The outdoor water budget is calculated using three factors: (1) the size of the irrigable landscape area per parcel; (2) actual daily plant water loss to the atmosphere (“evapotranspiration”); and (3) a “plant factor” that reflects the water needs of specific types of plants and irrigation efficiencies established pursuant to guidelines provided by state law.

- Single-Family Residential outdoor budget = irrigable area (square footage per parcel) X evapotranspiration for billing cycle (actual daily plant water loss) X plant factor ÷ 1,200 (conversion factor to calculate budget in CCF)

Single-Family Residential customers are billed on a tiered basis, depending on the amount of water used in each billing cycle. The tier breakpoints are set forth below.

#### **Single-Family Residential Tier Allocation**

<b>Tiers</b>	<b>Tier Allocation</b>
Tier 1	Indoor Budget
Tier 2	Up to 100% of Total Indoor and Outdoor Budget (TWB)
Tier 3	101% - 200% of TWB
Tier 4	>200% of TWB

Tier breakpoints for Multi-Family Residential customers are based on total usage, measured in CCFs, and are uniformly applied to all Multi-Family Residential customers. The amounts allotted to Tier 1 (indoor) and Tier 2 (outdoor) were based on a review of the District’s Multi-Family Residential demand patterns and assume three people per household.

## Multi-Family Residential Tier Allocation

Tiers	Allocation
Tier 1	0 to 7 CCF
Tier 2	8 to 12 CCF
Tier 3	13 to 24 CCF
Tier 4	25 CCF or greater

Irrigation customers receiving either potable or recycled water are assigned a Budget utilizing the same outdoor-based methodology described above. Irrigation customers are given only an outdoor water budget. Their outdoor water budgets are calculated as follows:

- Irrigation Budget = irrigable area (square footage per parcel) X evapotranspiration (actual daily plant water loss) for the billing cycle X plant factor ÷ 1,200 (conversion factor to calculate budget in CCF)

Tier breakpoints for Irrigation potable and recycled water customers are set forth below.

## Irrigation (Potable and Recycled Water) Tier Allocation

Proposed Tiers	Proposed Tier Allocation
Tier 1	Up to 100% of Budget
Tier 2	101% - 200% of Budget
Tier 3	> 200% of Budget

## Water Rates

The District's water rates consist of a Fixed Base Charge, a Commodity Charge based on the volume of water delivered, and a Power Surcharge to applicable customers. Together, the three components of the District's water service fees are structured to recover the proportionate costs of providing water service to each customer class, deter waste, encourage water use efficiency, and manage the District's valuable water resources.

### Fixed Base Charge

The Fixed Base Charge is a fixed monthly charge based on the size of the meter (measured in inches) serving the property receiving water service. It is calculated to recover a portion of the District's fixed costs, such as the costs of billing, customer service, meter reading, system repairs and maintenance, and capital and infrastructure costs.

## Water Fixed Base Charge

Meter Size	Current Rate	Proposed Rate* (January 2022)	Proposed Rate* (January 2023)	Proposed Rate* (January 2024)
3/4"	\$23.46	\$24.51	\$25.16	\$25.64
1" (Residential)	\$23.46	\$24.51	\$25.16	\$25.64
1" (Commercial)	\$30.89	\$32.43	\$33.56	\$34.28
1-1/2"	\$49.07	\$51.83	\$54.14	\$55.43
2"	\$71.33	\$75.59	\$79.33	\$81.34
2-1/2"	\$98.05	\$104.10	\$109.57	\$112.42
3"	\$131.45	\$139.74	\$147.37	\$151.27
4"	\$198.25	\$211.02	\$222.97	\$228.98
6"	\$383.05	\$408.21	\$432.12	\$443.98
8"	\$605.71	\$645.80	\$684.10	\$703.01

*\*Proposed effective date is annually on January 1<sup>st</sup>.*

## Private Fire Service Charge

The Private Fire Service Charge is a fixed monthly charge based on the size of the meter (measured in inches) serving the property with a fire meter connected to the District’s water system. It is calculated to recover a portion of the District’s fixed costs, such as the costs of billing, customer service, meter reading, system repairs and maintenance, and capital and infrastructure costs. The Private Fire Service Charge applies only to those properties with a private fire meter connected to the property.

Meter Size	Current Rate	Proposed Rate* (January 2022)	Proposed Rate* (January 2023)	Proposed Rate* (January 2024)
1"	\$28.37	\$29.79	\$31.36	\$32.29
1-1/2"	\$43.85	\$46.31	\$48.96	\$50.38
2"	\$62.82	\$66.55	\$70.52	\$72.53
2-1/2"	\$85.57	\$90.83	\$96.39	\$99.10
3"	\$114.02	\$121.19	\$128.72	\$132.32
4"	\$170.91	\$181.90	\$193.39	\$198.76
6"	\$328.30	\$349.86	\$372.30	\$382.57
8"	\$517.93	\$552.22	\$587.86	\$604.03
10"	\$771.08	\$822.38	\$875.64	\$899.68

*\*Proposed effective date is annually on January 1<sup>st</sup>.*

## Commodity Charge

The Commodity Charge is a variable water usage charge determined by the amount of water delivered to a parcel or property, measured in units of one hundred cubic feet (“CCF”), where each CCF is equal to 748 gallons. For Single-Family Residential, Multi-Family Residential, and Irrigation (for both potable and recycled water), the rate structure for the Commodity Charge is broken into tiers, with incrementally higher rates assessed for incrementally higher water use. Customers who use more water place greater demands on the District’s water system and scarce resources and therefore pay a higher cost per unit of water than those who use less water, reflecting the higher cost to the District of serving such customers. Tiered rates are designed to shift the marginal costs of higher water use to those users driving the District to incur such costs. For Irrigation customers, there are different rates for the Commodity Charge

depending on whether the water delivered is recycled (non-domestic) water or potable (domestic) water. For Commercial and Construction customers, the Commodity Charge is a uniform rate, depending on whether the water delivered is recycled or potable.

### Commodity Rates – Potable or Domestic Water (per CCF)

<b>Single-Family and Multi-Family Residential Customers</b>	<b>Current Rate</b>	<b>Proposed Rate* (January 2022)</b>	<b>Proposed Rate* (January 2023)</b>	<b>Proposed Rate* (January 2024)</b>
Tier 1	\$2.38	\$2.46	\$2.56	\$2.80
Tier 2	\$2.79	\$2.86	\$2.95	\$3.16
Tier 3	\$3.64	\$3.76	\$3.81	\$3.96
Tier 4	\$6.06	\$6.17	\$6.22	\$6.36
<b>Irrigation Customers</b>	<b>Current Rate</b>	<b>Proposed Rate* (January 2022)</b>	<b>Proposed Rate* (January 2023)</b>	<b>Proposed Rate* (January 2024)</b>
Tier 1	\$2.87	\$2.95	\$3.02	\$3.18
Tier 2	\$3.86	\$4.01	\$4.06	\$4.20
Tier 3	\$6.18	\$6.59	\$6.63	\$6.76
<b>Commercial Customers</b>	<b>Current Rate</b>	<b>Proposed Rate* (January 2022)</b>	<b>Proposed Rate* (January 2023)</b>	<b>Proposed Rate* (January 2024)</b>
Commercial	\$2.31	\$2.51	\$2.62	\$2.87
Construction	\$3.86	\$4.01	\$4.06	\$4.20

*\*Proposed effective date is annually on January 1<sup>st</sup>.*

### Commodity Rates (per CCF) – Non-Domestic (Recycled) Water

<b>Irrigation / Residential Customers</b>	<b>Current Rate</b>	<b>Proposed Rate* (January 2022)</b>	<b>Proposed Rate* (January 2023)</b>	<b>Proposed Rate* (January 2024)</b>
Tier 1	\$2.41	\$2.47	\$2.48	\$2.53
Tier 2	\$2.87	\$3.28	\$3.25	\$3.25
Tier 3	\$5.22	\$5.45	\$5.65	\$6.06
<b>Recycled – Uniform Rate Customers</b>	<b>Current Rate</b>	<b>Proposed Rate* (January 2022)</b>	<b>Proposed Rate* (January 2023)</b>	<b>Proposed Rate* (January 2024)</b>
Commercial	\$2.36	\$2.51	\$2.53	\$2.59
Construction	\$2.87	\$3.28	\$3.25	\$3.25

*\*Proposed effective date is annually on January 1<sup>st</sup>.*

### Power Surcharge

The Power Surcharge is based on the cost of energy required to pump water to customers within certain identified pumping zones in the District’s service based on elevation. The Power Surcharge, like the Commodity Charge, is a variable water usage charge per CCF of water delivered. Not all customers are subject to a Power Surcharge. Please refer to your water bill to determine if you are subject to a Power Surcharge for your identified pump zone.

## Power Surcharges (per CCF)

Domestic / Potable Water Zone	Current Rate	Proposed Rate* (January 2022)	Proposed Rate* (January 2023)	Proposed Rate* (January 2024)
3	\$0.11	\$0.11	\$0.12	\$0.12
4	\$0.19	\$0.19	\$0.20	\$0.21
5	\$0.31	\$0.32	\$0.34	\$0.35
Recycled Water Zone	Current Rate	Proposed Rate* (January 2022)	Proposed Rate* (January 2023)	Proposed Rate* (January 2024)
C	\$0.25	\$0.31	\$0.33	\$0.34
D	\$0.44	\$0.51	\$0.53	\$0.56
E	\$0.55	\$0.66	\$0.69	\$0.72

\*Proposed effective date is annually on January 1<sup>st</sup>.

## WASTEWATER RATES

The rate structure for the District’s monthly wastewater service charges consists of two customer classes: Residential and Commercial. Residential customers are further classified into Single-Family (SFR), Multi-Family Residential (MFR), and Multi-Family Common (MFC). Within the Commercial customer class, customers are further classified based on the type of commercial activity and the constituents (“strength”) that they discharge into the wastewater system (“C1,” “C2,” “C3,” “C4,” or “CR” customers). Typical users within the five commercial subclasses generally include the following (you can confirm your customer classification on your bill or by calling the District):

- Commercial Class 1 “C1” (low strength) — schools, car washes, beauty and barber shops, department and retail stores, professional offices and general commercial businesses, warehouses
- Commercial Class 2 “C2” (medium strength) — shopping centers, auto repair/sales shops, service stations, hotels without dining facilities, bars without dining facilities
- Commercial Class 3 “C3” (medium to high strength) — convenience stores, liquor stores with a delicatessen, and hotels with dining facilities, assisted living facilities
- Commercial Class 4 “C4” (high strength) — bakeries, restaurants and bars with food, supermarkets, mortuaries
- Commercial Class CR (Recreation) – community centers

The rates for the wastewater service charges are comprised of two components: (1) a fixed monthly wastewater service charge; and (2) a variable volumetric charge determined based on both the estimated amount of wastewater (“flow”) in CCF and the strength of the wastewater determined by customer class.

## Fixed Monthly Charge

The fixed monthly wastewater service charge is structured to recover a portion of the District’s fixed costs and overhead in providing wastewater service. The fixed monthly charges, as shown in the table below, are based on customer class and meter size (in the case of commercial customers). The proposed fixed monthly charges reflect both the strength of the wastewater that is discharged into the system and the quantity of the typical wastewater discharged.

The proposed rate for Multi-Family properties with a common meter that serves multiple dwelling-units or living-units will be billed a Monthly Customer Charge per account plus an additional charge per dwelling unit.

## Fixed Charges – Wastewater

Customer Class	Current Rate	Proposed Rate* (January 2022)	Proposed Rate* (January 2023)	Proposed Rate* (January 2024)
<b>Commercial - C1:</b>				
C1 2" and smaller	\$27.86	\$29.03	\$30.90	\$32.47
C1 greater than 2"	\$156.37	\$155.57	\$159.11	\$168.56
<b>Commercial - C2:</b>				
C2 2" and smaller	\$86.30	\$86.57	\$89.20	\$94.35
C2 greater than 2"	\$157.69	\$156.87	\$160.42	\$169.95
<b>Commercial - C3:</b>				
C3 2" and smaller	\$88.85	\$89.08	\$91.74	\$97.05
C3 greater than 2"	\$160.25	\$159.38	\$162.97	\$172.66
<b>Commercial - C4</b>				
C4 2" and smaller	\$92.81	\$92.98	\$95.69	\$101.25
C4 greater than 2"	\$164.21	\$163.28	\$166.92	\$176.85
<b>Commercial – CR:</b>				
CR 2" and smaller	\$27.84	\$29.01	\$30.88	\$32.45
CR greater than 2"	\$27.84	\$29.01	\$30.88	\$32.45
<b>Single-Family Residential:</b>	\$29.18	\$30.33	\$32.21	\$33.87
<b>Multi-Family Residential <sup>(1)</sup>:</b>	\$26.01	\$27.21	\$29.06	\$30.51
<b>Multi-Family Common <sup>(2)</sup>:</b>				
Per Account	\$11.33	\$12.76	\$14.41	\$14.96
Per Dwelling Unit	\$14.68	\$14.45	\$14.65	\$15.55

\*Proposed effective date is annually on January 1<sup>st</sup>.

(1) Multi-Family Residential – single meter per dwelling unit and account.

(2) Multi-Family Common – account or meter serves multiple dwelling units.

## Variable Volumetric Charge

The variable volumetric charge is designed to recover the costs of treating the flow and strength generated by each customer class. Because residential customers' water use is not wholly related to indoor water use, and unlike Commercial customers, since a greater portion of the water they use is not returned to the sewer, they will not be charged for a volumetric charge for any water used in excess of the following amounts: Single-Family customer water use in excess of 9 CCF per billing cycle; and Multi-Family customer water use in excess of 7 CCF per billing cycle per dwelling unit.

The proposed rates and effective dates for the wastewater service fees are set forth in the tables as shown below.

### Variable Volumetric Rates (per CCF) – Wastewater

Customer Class	Current Rate	Proposed Rate* (January 2022)	Proposed Rate* (January 2023)	Proposed Rate* (January 2024)
Commercial - C1	\$0.90	\$0.95	\$0.99	\$1.03
Commercial - C2	\$1.08	\$1.16	\$1.22	\$1.26
Commercial - C3	\$1.51	\$1.48	\$1.54	\$1.60
Commercial - C4	\$2.41	\$2.59	\$2.71	\$2.81
Commercial - CR	\$0.84	\$0.56	\$0.59	\$0.61
Residential (SFR, MFR, MFC)	\$1.08	\$1.08	\$1.12	\$1.16

\*Proposed effective date is annually on January 1<sup>st</sup>.

## MASTER METERED COMMUNITIES

Master metered communities are those that have a single or limited number of meters but consist of multiple dwelling units and end-users of water and wastewater services.

### Potable Water Fixed Base Monthly Charge

The fixed monthly charge will consist of a Monthly Customer Charge per account plus a fixed monthly Capacity Usage Charge based on the highest month's usage, measured in CCFs delivered to the property, in the preceding fiscal year. During the first year of operations, the customer's assumed water demand will be used to set the Capacity Usage Charge.

Potable Water Fixed Base Monthly Charge Components	Current Rate	Proposed Rate* (January 2022)	Proposed Rate* (January 2023)	Proposed Rate* (January 2024)
Per Account	\$12.56	\$12.92	\$13.39	\$13.83
Capacity Usage Charge (per CCF)	\$1.00	\$1.07	\$1.14	\$1.17

\*Proposed effective date is annually on January 1<sup>st</sup>.

## Potable Water Commodity Charge

If there is a master meter serving mixed-use buildings within such a community, the District’s potable water Commodity Charge rates for Commercial customers will be applied. If there are separate sub-meters for meters serving mixed-use buildings within such a community, the District’s potable water Commodity Charge rates for Commercial customers will be applied. For meters serving residential buildings within master metered communities, the District’s potable water Commodity Charge rates for Multi-Family Residential customers will be applied.

## Monthly Wastewater Fixed Base Charge

The monthly wastewater fixed base charge will consist of a flat Monthly Customer Charge per account and a Capacity Usage Charge multiplied by 90% of the highest month’s usage, measured in CCFs delivered to the property, in the preceding fiscal year. During the first year of operations, the customer’s assumed water demand will be used to set the fixed monthly charge.

Monthly Wastewater Fixed Base Charge Components	Current Rate	Proposed Rate* (January 2022)	Proposed Rate* (January 2023)	Proposed Rate* (January 2024)
Per Account	\$11.32	\$13.51	\$15.65	\$17.28
Capacity Usage Charge (per CCF)	\$2.46	\$2.41	\$2.38	\$2.40

\*Proposed effective date is annually on January 1<sup>st</sup>.

## Wastewater Commodity Charge

The wastewater commodity charges will be calculated based on 90% of the amount of domestic water delivered to a customer. The rate for the wastewater commodity charge will be based on the customer’s predominant discharge, which will dictate the customer class that a customer is assigned for purposes of the wastewater commodity charge. For example, if a hospital (or high strength customer) is the predominant discharger, the Commercial-C4 rate will apply and shall be calculated based on 90% of the water delivered to the customer times the Commercial-C4 wastewater commodity rate. If the use is predominantly residential, then the District’s residential wastewater rate will apply. (These rates are shown in the table “Variable Volumetric Rates (per CCF) – Wastewater” in the previous section).

If there is no predominant discharger, or if the District believes it is necessary for determining the wastewater strength characteristics, the District may require a sampling study to be performed twice a year at the owner’s expense to determine the strength of the wastewater discharge, which will be then used to determine the wastewater commodity charges. The strength of the wastewater discharge will be based on the concentration of biochemical oxygen demand (“BOD”) and total suspended solids (“TSS”) within the sampled wastewater. The wastewater commodity charges will be calculated based on 90% of the amount of domestic water delivered to a customer along with the corresponding pounds of BOD and pounds of TSS discharged into the system based on the measured concentrations of each constituent.

The rates per CCF of flow and pounds of BOD and TSS are set forth in the table below:

Master Metered Wastewater Commodity Charges	Current Rate	Proposed Rate* (January 2022)	Proposed Rate* (January 2023)	Proposed Rate* (January 2024)
Flow (per CCF)	\$0.43	\$0.49	\$0.51	\$0.53
BOD (per pound)	\$0.27	\$0.24	\$0.25	\$0.26
TSS (per pound)	\$0.08	\$0.07	\$0.07	\$0.07

\*Proposed effective date is annually on January 1<sup>st</sup>.

## WATER SHORTAGE CONTINGENCY RATES

Pursuant to California state law, the District has adopted a Water Shortage Contingency Plan (“Plan”) that identifies Stages, numbered from 1 to 6, based on increasing levels of severity of the potable water supply shortage and need to reduce potable water usage. Under each Stage of the Plan, the District anticipates undertaking certain measures required to achieve customer potable water usage reductions. Under each Stage, the District anticipates incurring additional costs to achieve the usage reductions required as well as fixed costs to continue to maintain the water system. However, due to reductions in water sales, the District will not be recovering revenue necessary to meet such costs. The Water Shortage Rates identified below are designed to recover a significant portion of the costs of each Stage, and are less than the actual, proportional cost of providing water service at each Plan Stage, within each Tier, and for each customer.

Rates for water service will not be changed during a water shortage event. Instead, the proposed Water Shortage Rates involve a reduction of budgets, as set forth below. If the District has declared a Stage of its Plan, adjustments to the amount of potable water available at the District’s commodity rate tiers may be implemented by separate action by the District’s Board of Directors as indicated in the table below. The percentage indicates the amount of reduction in the amount of water each customer can utilize in each tier. Customers can contact the District at (949) 459-6420, CustomerCare@smwd.com, or www.smwd.com to determine how the Tier adjustments could impact the budget for their parcel.

### Potable Water Tier Width Reductions

Commodity Tiers	Tiered Rates*	Base Usage / Tier Widths	Tier Width Reductions			
			Plan Stage 2	Plan Stage 3	Plan Stage 4	Plan Stage 5
<b>Residential (SFR)</b>						
Tier 1	\$2.46	Indoor Budget	0%	0%	0%	-5%
Tier 2	\$2.86	Outdoor Budget	-5%	-20%	-30%	-40%
Tier 3	\$3.76	Up to 200%	-20%	-40%	-40%	-50%
Tier 4	\$6.17	> 200%	NA	NA	NA	NA
<b>Residential (MFR)</b>						
Tier 1	\$2.46	0 to 7 CCF	0%	0%	0%	-5%
Tier 2	\$2.86	8 to 12 CCF	-5%	-20%	-30%	-40%
Tier 3	\$3.76	13 to 24 CCF	-20%	-40%	-40%	-50%
Tier 4	\$6.17	25 CCF or greater	NA	NA	NA	NA
<b>Irrigation</b>						
Tier 1	\$2.95	Total Budget	-10%	-20%	-40%	-70%
Tier 2	\$4.01	Up to 200%	-20%	-30%	-50%	-70%
Tier 3	\$6.59	> 200%	NA	NA	NA	NA
<b>Commercial</b>	\$2.51	NA	NA	NA	NA	NA

\*Based on recommended rates expected to be effective as of January 1, 2022.

## **PUBLIC HEARING**

Any record owner of a parcel upon which the water, recycled water, and wastewater service fees are proposed for imposition, or any tenant directly responsible for the payment of water, recycled water, and wastewater service fees (i.e., a customer of record), may submit a written protest to the proposed rate increases to the District's water, recycled water, and wastewater service fees; provided, however, only one protest will be counted per identified parcel. Each protest must: (1) be in writing; (2) state whether the protest is submitted in opposition to the rate increases to the water, recycled water, or wastewater service fees; (3) provide the location of the identified parcel (by assessor's parcel number or service address); and (4) include the name and signature of the person submitting the written protest. Written protests may be submitted by mail to 26111 Antonio Parkway, Rancho Santa Margarita, CA 92688. Written protests may also be submitted in person at the District's Headquarters at 26111 Antonio Parkway in Rancho Santa Margarita. All written protests must be received prior to the conclusion of the public input portion of the public hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a formal written protest. Please identify on the front of the envelope for any protest, whether mailed or submitted in person, that the enclosed letter is for the public hearing on proposed rate increases.

The Board of Directors will consider all written protests timely submitted and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the public hearing, the Board of Directors will determine whether to adopt the proposed rate increases as described in this notice. If, after the close of the public hearing, written protests against the proposed rate increases as outlined above are not presented by a majority of the record owners and customers of record of the identified parcels upon which they are proposed to be imposed, the Board of Directors will be authorized to impose the rate increases.

If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact the District at (949) 459-6420, [CustomerCare@smwd.com](mailto:CustomerCare@smwd.com), or [www.smwd.com](http://www.smwd.com).