



TWENTYNINE PALMS WATER DISTRICT REMINDER: **Changes in Rates and Charges Effective January 1, 2020**

The Twentynine Palms Water District worked diligently with NBS Government Finance Group in 2015 to determine the appropriate level of rates that should be charged over the next five years to ensure that the District can meet its mandate to provide safe and reliable water to its ratepayers.

A comprehensive financial plan was developed taking into account several factors including but not limited to the following:

RESERVES:

To ensure fiscal stability and health, reserves should be kept at optimal levels to allow for unanticipated events, which could impact future rates.

UNFUNDED NON-CASH EXPENSES:

The District must set aside funds each year for benefits to ensure that current costs are not passed to future rate payers.

INFLATION:

Certain costs due to regulations that will continue to increase with inflation and the cost of living index.

UNFUNDED MANDATES:

The District has been affected by several unfunded mandates by regulatory agencies since the last rate increase including but not limited to: New drinking water regulations, Hexavalent Chromium regulations, New Universal Contaminant

Monitoring Rules, The preparation of a Salt Nutrient Management Plan and Waste Water Master Plan, The Fluoride Variance granted to the District and the Mohave Desert Air Quality Management District requirements.

CONSERVATION:

Modest decreases in water consumption, although necessary and in compliance with state mandated regulations, can have a large negative impact on the District.

DEBT SERVICE COVERAGE RATIO:

In order to finance a significant capital project, rating agencies favor utilities that have the ability to repay the loan. This ability is measured with a Debt Service Ratio. An unfavorable credit rating could financially prevent the District from borrowing funds for future planned capital expansion or unplanned major emergency repairs due to intolerable interest rates.

The rate increase took effect in 2016 and will continue to increase 6% each year through 2020. Please see reverse side for the current rates.



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Water Rate Schedule Fixed Service charge

Meter Size	In effect as of 1/1/2020
5/8-inch	\$27.70
3/4-inch	\$27.70
1-inch Dual Service-Residential	\$27.70
1-inch	\$38.69
1.5-inch	\$66.18
2-inch	\$99.17
3-inch	\$203.63
4-inch	\$357.57
6-inch	\$725.93

Commercial Fire Meters Fixed Service Charge

Meter Size	In effect as of 1/1/2020
2-inch meter	\$64.61
3-inch meter	\$128.11
4-inch meter	\$178.24
6-inch meter	\$345.33
8-inch meter	\$545.84
10-inch meter	\$1,481.57

Non-Potable Meters Fixed Service Charge

2-inch	\$1,027.33
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Commodity Charges for All Water Consumed

Meter Size	In effect as of 1/1/2020
Commodity Charge Per HCF - Potable	\$3.33
Commodity Charge Per HCF - Non-Potable	\$0.61
Pay Station, Utah Trail Charge Per Gallon	\$0.0122

Projected Increase in Rate Revenue per Financial Plan: 6%

1 HCF (one hundred cubic feet) is equal to 748 gallons.