



Rancho California Water District

WaterNews

Notice of Public Hearing for Increases in the Rates for Water Services

Rancho California Water District (RCWD/District) provides water and wastewater services to properties located within two service areas - the Rancho Division and the Santa Rosa Division. RCWD is committed to providing the highest quality services at the lowest possible rates for our customers. To meet this commitment, RCWD undertook an evaluation of the infrastructure needs, programs, and operations and maintenance (O&M) costs of its water and wastewater services for the ensuing fiscal year.

**Public Hearing will
be held on
June 11, 2015**

Based on this evaluation, it has been determined that rate increases are necessary for RCWD's water service fees to enable RCWD to: recover current and projected costs of O&M, including increases in purchased wholesale water, capital infrastructure improvements needed to provide safe and reliable drinking water and safely treat and dispose of wastewater; maintain the operational and financial stability of the utilities; and avoid operational deficits and depletion of reserves. The RCWD Board of Directors will hold a public hearing on June 11, 2015, at 8:30 a.m., at 42135 Winchester Road, Temecula, CA to consider the proposed increases to the rates for its water and wastewater service fees. The proposed rate increases and future rate adjustments are described below.

Proposed Water Service Fees:

The rate structure for RCWD's monthly water service fees has three customer classes - (I) domestic, multi-family, and landscape customers; (II) commercial/industrial (CI); and (III) agricultural (Ag) customers. The monthly service fees are comprised of three components - (a) a monthly service charge; (b) an energy charge; and (c) a commodity charge. Together, the three components are structured to proportionately recover the cost of providing water service among the various customer classes. The components of the rate structure and the basis upon which they are calculated are described below.

(a) Monthly Water Service Charge

The monthly Water Service Charge is a fixed charge determined on the basis of the size of the meter a parcel or property receiving water service. This charge is structured to recover a portion of RCWD's fixed costs such as billings and collections, and meter reading.

(b) Energy Charge

The Energy Charge is based on the amount of energy required to pump water within certain identified pump zones within RCWD's retail water service area. (Please refer to your water bill for your identified pump zone.)

(c) Commodity Charge

The Commodity Charge is determined on the basis of the amount of water served to a parcel of property in hundred cubic feet (HCF) (one HCF equals 748 gallons) or acre-feet (AF) and consists of tiers which impose higher rates as the level of consumption increases. This charge is structured to recover a portion of RCWD's fixed costs, the cost of purchased water, and to encourage efficient use of water. Each customer is allocated a reasonable amount of water for efficient indoor and outdoor water use based on that customer's particular needs. This allocation is referred to as a "water budget." Customers whose water use remains within their water budget are billed at the lowest tier. Customers who exceed their water budget by inefficiently using water are billed at higher rates for the amount of water they use above their water budget. The proposed rate increase for water service fees are set forth in the tables on page 2. If approved, the rates will take effect commencing July 1, 2015.

Proposed 2015-2016 Water Rates

RANCHO DIVISION

CURRENT AND PROPOSED RATES FOR POTABLE WATER COMMODITY CHARGES (\$/HCF)

	CURRENT RATES			PROPOSED RATES		
	Standard	⁽¹⁾ Pre 03 Annex	⁽²⁾ Post 03 Annex	Standard	Pre 03 Annex	Post 03 Annex
Domestic, Multifamily, Landscape						
Tier I	\$0.630	\$2.124	\$2.422	\$0.660	\$2.229	\$2.545
Tier II	1.380	2.124	2.422	1.500	2.229	2.545
Tier III	2.660	2.660	2.660	2.490	2.490	2.545
Tier IV	5.850	5.850	5.850	6.320	6.320	6.320
Commercial, Industrial & Other						
	Standard	⁽¹⁾ Pre 03 Annex	⁽²⁾ Post 03 Annex	Standard	Pre 03 Annex	Post 03 Annex
Tier I	\$1.133	\$2.124	\$2.422	\$1.230	\$2.229	\$2.545
Tier II	1.739	2.730	3.028	2.880	2.875	2.875
Agricultural Agricultural-Domestic						
Tier I	\$1.133			\$1.230		
Tier II	1.739			2.880		

SANTA ROSA DIVISION

CURRENT AND PROPOSED RATES FOR POTABLE WATER COMMODITY CHARGES (\$/HCF)

	CURRENT RATES			PROPOSED RATES		
	Standard	⁽¹⁾ Pre 03 Annex	⁽²⁾ Post 03 Annex	Standard	Pre 03 Annex	Post 03 Annex
Domestic, Multifamily, Landscape						
Tier I	\$1.120	\$2.124	\$2.422	\$1.010	\$2.229	\$2.545
Tier II	1.860	2.124	2.422	1.990	2.229	2.545
Tier III	2.660	2.660	2.660	2.480	2.480	2.545
Tier IV	5.850	5.850	5.850	6.320	6.320	6.320
Commercial, Industrial & Other						
	Standard	⁽¹⁾ Pre 03 Annex	⁽²⁾ Post 03 Annex	Standard	Pre 03 Annex	Post 03 Annex
Tier I	\$1.515	\$2.124	\$2.422	\$1.670	\$2.229	\$2.545
Tier II	2.121	2.730	3.028	2.850	2.715	2.714
Agricultural Agricultural-Domestic						
Tier I	\$1.515			\$1.670		
Tier II	2.121			2.850		

CURRENT AND PROPOSED RATES FOR ENERGY CHARGES (\$/HCF)

Pump Zone	2014-2015 RATES		2015-2016 RATES	
	M&I*	AG	M&I	AG
1305	\$ -	\$ -	\$ -	\$ -
1380	0.03600	0.03600	0.04275	0.04275
1485	0.08640	0.08640	0.10260	0.10260
1550	0.11760	0.11760	0.13965	0.13965
1610 (1605)	0.14640	0.14640	0.17385	0.17385
1790	0.23280	0.23280	0.27645	0.27645
1880	0.36720	0.36720	0.43605	0.43605
2070	0.36720	0.36720	0.43605	0.43605
2350	0.50160	0.50160	0.59565	0.59565

*M&I - Municipal and Industrial

CURRENT AND PROPOSED RATES FOR FOR ENERGY CHARGES (\$/HCF)

Pump Zone	CURRENT RATES		PROPOSED RATES	
	M&I*	AG	M&I	AG
1305	\$ -	\$ -	\$ -	\$ -
1434	0.04773	0.04773	0.05160	0.05160
1440 (1060, 1160)	0.04995	0.04995	0.05400	0.05400
1500	0.07215	0.07215	0.07800	0.07800
1670	0.13505	0.13505	0.14600	0.14600
1990	0.25345	0.25345	0.27400	0.27400
2160 (2153)	0.31635	0.31635	0.34200	0.34200
2260	0.35335	0.35335	0.38200	0.38200
2550	0.46065	0.46065	0.49800	0.49800
2850	0.57165	0.57165	0.61800	0.61800

*M&I - Municipal and Industrial

CONSTRUCTION & NON-POTABLE WATER RATES

*(Base Water Rates Per HCF)

Description	RANCHO DIVISION		SANTA ROSA DIVISION	
	FY 2014-2015	FY 2015-2016	FY 2014-2015	FY 2015-2016
Construction Water	\$3.333/HCF	\$3.333/HCF	\$3.333/HCF	\$3.333/HCF
Recycled Construction Water	\$726.00/AF + \$20 Monthly Service Charge	\$726.00/AF + \$20 Monthly Service Charge	\$726.00/AF + \$20 Monthly Service Charge	\$726.00/AF + \$20 Monthly Service Charge
Tertiary Treated	\$287.77/AF + \$20 Monthly Service Charge	\$309.35/AF + \$20 Monthly Service Charge	\$287.77/AF + \$20 Monthly Service Charge	\$309.35/AF + \$20 Monthly Service Charge
Agricultural	\$287.77/AF + \$20 Monthly Service Charge	\$309.35/AF + \$20 Monthly Service Charge	\$287.77/AF + \$20 Monthly Service Charge	\$309.35/AF + \$20 Monthly Service Charge

MONTHLY SERVICE CHARGES

Meter Size	2014-2015 Rate		2015-2016 Rate	
	Rancho	Santa Rosa	Rancho	Santa Rosa
3/4"	\$ 19.06	\$ 35.45	\$ 20.20	\$ 37.93
1"	28.91	61.26	30.36	63.71
1-1/2"	49.30	103.55	52.26	110.80
2"	74.32	163.20	78.78	174.62
2-1/2"	114.39	235.72	124.68	259.30
3"	200.91	369.85	218.99	406.84
4"	432.11	899.36	449.39	962.32
6"	709.74	1,477.87	716.84	1,581.33
8"	1,089.19	2,043.15	1,089.19	2,186.17

2015-2016 Budget-Based Tiered Rate Factors:

VARIABLE	DEFINITION	CURRENT RCWD FACTOR	EFFECTIVE JULY 1, 2015
Single Family Default Household Size (Tier I)	The default number of residents in the household, each using 60 gallons per day.	<u>4</u> Residents Per Household, each using <u>60</u> gallons per day.	<u>3</u> Residents Per Household, each using <u>55</u> gallons per day.
Multifamily Default Household Size (Tier I)	The default number of residents in the household, each using 60 gallons per day	<u>3</u> Residents Per Household, each using <u>60</u> gallons per day.	<u>3</u> Residents Per Household, each using <u>55</u> gallons per day.
Landscape Customer (Tier I)	Ultra efficient usage of water for irrigation for landscape exclusive customers.	<u>Rancho Division</u> ETAF of 32% <u>Santa Rosa Division</u> ETAF of 19%	<u>Rancho Division</u> ETAF of 23% <u>Santa Rosa Division</u> ETAF of 13%
Landscape Area (LA) (Tier II)	LA includes all areas on a customer's property that have grass, shrubs, trees, ground cover, etc. that are irrigated and measured in square feet (SF).	Single Family Residence <u>Irrigated Square Feet</u> <u>ETAF</u> 0 to 75,000 85% 75,001 to 100,000 70% 100,001 to 150,000 60% 150,001+ 60% Multi Family Residence/Landscape Exclusive <u>Irrigated Square Feet</u> <u>ETAF</u> 0 to 75,000 85% 75,001 to 100,000 70% 100,001 to 150,000 60% 150,001+ 60%	Single Family Residence <u>Irrigated Square Feet</u> <u>ETAF</u> 0 to 30,000 75% 30,001 to 75,000 60% 75,001 to 150,000 0% Multi Family Residence/Landscape Exclusive <u>Irrigated Square Feet</u> <u>ETAF</u> 0 to 30,000 75% 30,001 to 75,000 60% 75,001 to 150,000 60% 150,001+ 60%

*ETAF - refers to an evapotranspiration factor. Evapotranspiration is actual daily plant water loss. An ETAF reflects the water needs of specific types of plants that are native to the District's service area and guidelines provided by State law.

	Current Rates	Proposed Rates					
	Typical Usage (25 HCF)	No Usage Change (25 HCF)	\$ Diff	% Diff	Efficient Use (Tiers I & II only, 23 HCF)	\$ Diff	% Diff
Service Charge	\$ 19.06	\$ 20.20	\$ 1.14	6.0%	\$ 20.20	\$ 1.14	6.0%
Energy	\$ 2.16	\$ 2.57	\$ 0.41	18.8%	\$ 2.57	\$ 0.41	18.8%
Tier I	\$ 6.30	\$ 5.94	\$ (0.36)	-5.7%	\$ 5.94	\$ (0.36)	-5.7%
Tier II	\$ 20.70	\$ 21.00	\$ 0.30	1.4%	\$ 21.00	\$ 0.30	1.4%
Tier III	\$ -	\$ 4.98	\$ 4.98		\$ -	\$ -	
Tier IV	\$ -	\$ -	\$ -		\$ -	\$ -	
Total	\$ 48.22	\$ 54.69	\$ 6.47	13.42%	\$ 49.71	\$ 1.49	3.09%

* Based on a 4 person household, 3/4" meter, 4,000 sqft of landscaping area, 1485 Pump Zone

Rancho Division

The tables to the left help illustrate the monthly bill impact to an average customer's water bill. The example depicts a customer's usage under the current rates with typical water usage, followed by typical usage and efficient water use under the proposed rates for fiscal year 2015-2016.

	Current Rates	Proposed Rates					
	Typical Usage (25 HCF)	No Usage Change (25 HCF)	\$ Diff	% Diff	Efficient Use (Tiers I & II only, 23 HCF)	\$ Diff	% Diff
Service Charge	\$ 35.45	\$ 37.93	\$ 2.48	7.0%	\$ 37.93	\$ 2.48	7.0%
Energy	\$ 1.19	\$ 1.29	\$ 0.10	8.1%	\$ 1.29	\$ 0.10	8.1%
Tier I	\$ 11.20	\$ 9.09	\$ (2.11)	-18.8%	\$ 9.09	\$ (2.11)	-18.8%
Tier II	\$ 27.90	\$ 27.86	\$ (0.04)	-0.1%	\$ 27.86	\$ (0.04)	-0.1%
Tier III	\$ -	\$ 4.96	\$ 4.96		\$ -	\$ -	
Tier IV	\$ -	\$ -	\$ -		\$ -	\$ -	
Total	\$ 75.74	\$ 81.13	\$ 5.38	7.11%	\$ 76.17	\$ 0.42	0.56%

* Based on a 4 person household, 3/4" meter, 4,000 sqft of landscaping area, 1434 Pump Zone

Santa Rosa Division

Stage 3a Information:

RCWD purchases its water from the Metropolitan Water District of Southern California (MWD) through Eastern Municipal Water District (EMWD) and Western Municipal Water District (WMWD). MWD imports water from two sources: the Colorado River via the Colorado River Aqueduct and Northern California via the California Aqueduct. On January 17, 2014, and April 25, 2014, Governor Jerry Brown issued drought state of emergency declarations in response to record-low water levels in California’s rivers and reservoirs, as well as an abnormally low snowpack. In response to the Governor’s emergency declaration and as California’s record drought continues, the State Water Resources Control Board (SWRCB) ordered, through an Emergency Regulation, all water utilities to activate their emergency water supply plans and adopt mandatory outdoor water conservation restrictions for their customers. Pursuant to State law, the District is required to adopt a water shortage contingency plan to address specific “stages” of action to be undertaken in response to water supply shortages. A water shortage contingency plan generally will include within each stage specified levels of reduction in the use of water that are appropriate for a water agency’s service area. Recognizing that water is our most vital resource, RCWD’s Plan establishes 5 water shortage stages (each a “Stage”) and mandates during each Stage specific water conservation practices to reduce unreasonable and wasteful water use and preserve the District’s water supplies. RCWD currently is in Stage 3a. If RCWD moves to higher stages, RCWD’s water shortage contingency plan requires reductions in customers’ water budgets.

RCWD STAGE 3a - WATER SUPPLY WARNING Mandatory Water Waste Reduction	Domestic and Landscape	Commercial, Industrial, Institutional	Agriculture	AG/Domestic
MANDATORY				
Stage 1 water conservation requirements and Stage 2 voluntary water use reduction measures remain in effect	X	X	X	X
Rolling water budgets are suspended	X			X
No variances or adjustments for filling swimming pools, establishing or expanding landscape area, leaks not repaired within 48 hours, and existing outdoor water budgets	X	X		X
Irrigate between 6 p.m. and 9 a.m.; Smart irrigation controllers exempt; exceptions for health and welfare	X	X		X
No application of potable water to outdoor landscapes during a rainfall event and for up to 48 hours after measurable rainfall	X	X		X
Irrigate crops during the cooler nighttime hours to minimize evaporation			X	X
Do not allow irrigation water to leave landscape/crop area	X	X	X	X
New landscaping to be California Friendly® or meet local landscape ordinance	X	X		X
Use a broom to clean hardscape surfaces	X	X		X
Eliminate sprinkler overspray; eliminate runoff	X	X		X
Tune-up irrigation systems; check for and repair leaks	X	X	X	X
Decorative fountains only with recirculating systems	X	X		X
Shut-off valves on hoses while washing vehicles	X	X		X
Commercial car wash operators to capture water; distribute discount coupons/incentives to encourage use of car wash		X		
Charity or fundraising car washes are not allowed		X		
Drinking water served only upon request at eating and drinking establishments		X		
Hotels and motels shall provide guests with the option to not have towels and linens laundered daily; must prominently display notice of this option in each guest room		X		
Crop addition done in accordance with industry-accepted irrigation BMPs to guarantee excellent DU			X	X
Fines for non-compliance will be imposed for flagrant or repeat violations	X	X	X	X

Public Hearing and Protests

Any record owner of a parcel upon which the fees are proposed for imposition, and any tenant directly responsible for the payment of water service fees (i.e., a customer of record who is not a property owner), may submit a written protest to the proposed increases to the District's water service fees; provided, however, only one protest will be counted per identified parcel.

Each protest must: (1) be in writing; (2) state that it's being submitted in opposition to the proposed rate increases; (3) provide the location of the identified parcel (by street address or assessor's parcel number); and (4) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the District Secretary at 42135 Winchester Rd., Temecula, CA 92590, or at the Public Hearing to be held on June 11, 2015, provided they are received prior to the close of the Public Hearing, which will occur when public testimony on the proposed rate increases is concluded.

Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person, to the District Secretary, that the enclosed protest is for the Public Hearing on the Proposed Increases in Rates for Water and Wastewater Service Fees. The RCWD Board of Directors will consider all written protests timely submitted and hear and consider 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. Upon the conclusion of the Public Hearing, the Board of Directors will consider adoption of the proposed rate increases for the water and wastewater service charges as described in the Notice.

If written protests against the proposed rate increases as outlined in this notice are not presented by a majority of property owners and tenants directly responsible for the payment of water and wastewater service fees of the identified parcels upon which the rates and charges are proposed to be imposed, the Board of Directors will be authorized to impose the respective rate increases.

For further details regarding the bases and reasons for the proposed rate increases or any questions you may have regarding your customer classification, service area, the number of EDU's assigned to your parcel, or the rates proposed to be imposed on your parcel, please contact the District's Budget Administrator.

Wastewater Service Fees:

The monthly wastewater (WW) service charge is set to recover the cost to collect, treat, and dispose of sewage. RCWD has approximately 70 miles of collection mains that bring WW to the Santa Rosa Water Reclamation Facility (SRWRF) for treatment and disposal. The monthly WW charge is determined on an equivalent dwelling unit (EDU) basis.

The number of EDU's assigned to an account is therefore set based on the sewer flow generated by that account.

As overall costs are being held in line with the previous year there is no change to the current rate of \$38.75 per EDU being proposed.



Snap Shot Customer Bill Impact:

As proposed, the bill impact to the average customer water bill is as follows:

Domestic Customers:

Rancho Division:

\$6.47 which, is an increase of approximately 13.42%

Santa Rosa Division:

\$5.38 which, is an increase of approximately 7.11%

Agricultural Customers:

Rancho Division:

\$112.89 which, is an increase of approximately 9.5%

Santa Rosa Division:

\$156.00 which, is an increase of approximately 9.7%



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