



**Rancho California
Water District**

Proposed Water Service Fees
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WaterNews

Notice of Public Hearing for Increases in the Rates for Water and Wastewater

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 12, 2014 at
8:30 a.m. at 42135
Winchester Road,
Temecula, CA**

Based on this evaluation, it has been determined that rate increases are necessary for RCWD's water and wastewater 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 12, 2014 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; and (III) 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 is described below.

(a) Monthly Water Service Charge

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

(b) Energy Charge

The Energy Charge is based on the cost of energy required to pump water within certain identified pump zones of 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) 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, and 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 tiers. Customers who exceed their water budget by inefficiently using water are billed at the rates in the higher tiers 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 3. If approved, the rates will take effect commencing July 1, 2014.

Wholesale Cost Pass-Through Provision:

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 also directly imposes certain other fees and charges on RCWD. RCWD anticipates that there will be future increases in the costs of providing water service due to inflation and other factors. To avoid future operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe and reliable water supply, RCWD has determined that it is necessary to authorize passing through its water service customers: any future MWD charges and any rate increases to any existing MWD charges, including imported water charges, that are imposed on RCWD by MWD, EMWD and WMWD (Wholesale Pass Through Adjustments). Any increase in the water service fees due to Wholesale Pass Through Adjustments would impact the rates of both the Service Charge and the Commodity Charge.

If approved by the RCWD Board of Directors, any increases to the rates as a result of Water Rate Adjustments may be imposed in the fiscal year commencing July 1, 2014, and each fiscal year thereafter, through and including fiscal year commencing July 1, 2018. Provided however, (1) any increase to the rates of the water service fees as a result of the Water Rate Adjustments may not exceed 25% per year; and (2) in no event will the rates be increased in any fiscal year as a result of Water Rate Adjustments by more than the cost of providing water service.

Proposed Wastewater Service Fees:

The rates for the monthly wastewater service fees are structured to recover the cost to collect, treat, and dispose of sewage. The monthly wastewater charge is determined on an equivalent dwelling unit (EDU) basis.

EDU is a term used to compare the flows from non-residential and multi-family and units in terms of flows generated by a single-family residential unit. A single-family residential unit is assigned one EDU. The number of EDU's assigned to an account is therefore set based on the estimated sewer flow generated by that account. As RCWD's overall costs are being held in line with the previous year, RCWD is not proposing any increase to the current rate of \$38.75 per EDU at this time.

Snap Shot Rate Adjustments:



(Average Typical Tract Home)

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

Rancho Division:

\$1.89 which, is an increase of approximately 4.1%

Santa Rosa Division:

\$3.08 which, is an increase of approximately 4.3%

Agricultural Customers:

Rancho Division:

\$38.21 which, is an increase of approximately 3.3%

Santa Rosa Division:

\$42.50 which, is an increase of approximately 2.7%

QUICK Tips

Irrigation



Replace Battery

Be sure to replace the battery in your irrigation controller; this will hold programmed schedules in case of power outages.

Sun Exposure

Keep above ground irrigation equipment insulated or covered to help protect from cracking due to sun exposure.



Proposed 2014-2015 Water Service Fees

RANCHO DIVISION POTABLE WATER RATES (Per HCF)

	2013-2014 RATES			2014-2015 RATES		
	Standard	⁽¹⁾ Pre 03 Annex	⁽²⁾ Post 03 Annex	Standard	Pre 03 Annex	Post 03 Annex
Domestic, Multifamily, Landscape						
Tier I	\$0.610	\$2.043	\$2.369	\$0.630	\$2.124	\$2.422
Tier II	1.340	2.043	2.369	1.380	2.124	2.422
Tier III	2.610	2.610	2.610	2.660	2.660	2.660
Tier IV	5.790	5.790	5.790	5.850	5.850	5.850
Commercial, Industrial & Other						
Tier I	\$1.103	\$2.043	\$2.369	\$1.133	\$2.124	\$2.422
Tier II	1.709	2.649	2.975	1.739	2.730	3.028
Agricultural Agricultural-Domestic						
Tier I	\$1.095			\$1.125		
Tier II	1.701			1.731		

ENERGY RATES

	2013-2014 RATES		2014-2015 RATES	
	M&I	AG	M&I	AG
Projected Rate by Pump Zone in HCF (Addition to Water Commodity)				
1305	\$ -	\$ -	\$ -	\$ -
1380	0.03375	0.03375	0.03600	0.03600
1485	0.08100	0.08100	0.08640	0.08640
1550	0.11025	0.11025	0.11760	0.11760
1610 (1605)	0.13725	0.13725	0.14640	0.14640
1790	0.21825	0.21825	0.23280	0.23280
1880	0.34425	0.34425	0.36720	0.36720
2070	0.34425	0.34425	0.36720	0.36720
2350	0.47025	0.47025	0.50160	0.50160

SANTA ROSA DIVISION POTABLE WATER RATES (Per HCF)

	2013-2014 RATES			2014-2015 RATES		
	Standard	⁽¹⁾ Pre 03 Annex	⁽²⁾ Post 03 Annex	Standard	Pre 03 Annex	Post 03 Annex
Domestic, Multifamily, Landscape						
Tier I	\$1.170	\$2.043	\$2.369	\$1.120	\$2.124	\$2.422
Tier II	1.790	2.043	2.369	1.860	2.124	2.422
Tier III	2.610	2.610	2.610	2.660	2.660	2.660
Tier IV	5.790	5.790	5.790	5.850	5.850	5.850
Commercial, Industrial & Other						
Tier I	\$1.489	\$2.043	\$2.369	\$1.515	\$2.124	\$2.422
Tier II	2.095	2.649	2.975	2.121	2.730	3.028
Agricultural Agricultural-Domestic						
Tier I	\$1.487			\$1.513		
Tier II	2.093			2.119		

ENERGY RATES

	2013-2014 RATES		2014-2015 RATES	
	M&I	AG	M&I	AG
Projected Rate by Pump Zone in HCF (Addition to Water Commodity)				
1305	\$ -	\$ -	\$ -	\$ -
1434	0.04773	0.04773	0.04773	0.04773
1440 (1060, 1160)	0.04590	0.04590	0.04995	0.04995
1500	0.06630	0.06630	0.07215	0.07215
1670	0.12410	0.12410	0.13505	0.13505
1990	0.23290	0.23290	0.25345	0.25345
2160 (2153)	0.29070	0.29070	0.31635	0.31635
2260	0.32470	0.32470	0.35335	0.35335
2550	0.42330	0.42330	0.46065	0.46065
2850	0.52530	0.52530	0.57165	0.57165

CONSTRUCTION & NON-POTABLE WATER RATES *(Base Water Rates Per HCF)

Description	RANCHO DIVISION		SANTA ROSA DIVISION	
	FY 2013-2014	FY 2014-2015	FY 2013-2014	FY 2014-2015
Construction Water	\$3.232/HCF	\$3.333/HCF	\$3.232/HCF	\$3.333/HCF
Recycled Construction Water	\$703.91/AF + \$20 Monthly Service Charge	\$726.00/AF + \$20 Monthly Service Charge	\$703.91/AF + \$20 Monthly Service Charge	\$726.00/AF + \$20 Monthly Service Charge
Tertiary Treated	\$280.76/AF + \$20 Monthly Service Charge	\$287.77/AF + \$20 Monthly Service Charge	\$280.76/AF + \$20 Monthly Service Charge	\$287.77/AF + \$20 Monthly Service Charge
Agricultural	\$280.76/AF + \$20 Monthly Service Charge	\$287.77/AF + \$20 Monthly Service Charge	\$280.76/AF + \$20 Monthly Service Charge	\$287.77/AF + \$20 Monthly Service Charge

MONTHLY SERVICE CHARGES

Meter Size	2013-2014 Rate		2014-2015 Rate	
	Rancho	Santa Rosa	Rancho	Santa Rosa
3/4"	\$ 17.98	\$ 33.13	\$ 19.06	\$ 35.45
1"	27.28	59.47	28.91	61.26
1-1/2"	46.51	96.78	49.30	103.55
2"	70.12	152.52	74.32	163.20
2-1/2"	104.94	214.30	114.39	235.72
3"	184.32	336.24	200.91	369.85
4"	415.49	840.52	432.11	899.36
6"	709.74	1,381.20	709.74	1,477.87
8"	1,089.19	1,909.49	1,089.19	2,043.15



Post Office Box 9017
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»WaterNEWS is published quarterly to inform the District's customers about issues concerning water

Public Hearing and Protests

Any property owner or any tenant directly responsible for the payment of water and/or wastewater service fees (i.e., a customer of record) may submit a written protest to the proposed increases to the rates for RCWD's water and wastewater service fees; provided, however, only one protest will be counted per identified parcel.

Any written protest must: **(1)** state the specific rate increase (water and /or wastewater) for which the protest is being submitted in opposition; **(2)** provide the location of the identified parcel (by assessor's parcel number or street address); and **(3)** 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 12, 2014, 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 hear and consider all written and oral protests to the proposed rate increases 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 this Notice.

If written protests against the proposed rates as outlined above are not presented by a majority of the 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 basis and reasons for the proposed rate increases of 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 Budget Administrator.

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