

## History of Sound Financial Planning Helps Minimize Rate Increases

EMWD has been committed to ensuring the financial stability and responsible stewardship of public funds for the past 75 years as we deliver high-quality, safe and reliable water, wastewater and recycled water services throughout our 555 square mile service area.



Behind every drop of water that enters or leaves your home or business is a network of pipelines, booster stations, lift stations, filtration plants, treatment facilities, and storage tanks. There is also a highly trained team that not only designs, builds and maintains that infrastructure, but also monitors and tests your water and wastewater 24/7/365 to ensure the public health and safety of more than 850,000 people served.

Every drop is part of a continuous cycle which EMWD considers with every decision or investment made. That includes planning for new infrastructure and maintenance of existing facilities over an appropriate period of time using reserves, financing, and rate revenue in a balanced manner that avoid future rate spikes.

EMWD invests in a comprehensive Capital Improvement Program (CIP) to keep your water, wastewater and recycled water systems operating efficiently, with minimal emergencies such as water pipeline breaks or sewer spills.

EMWD also aggressively pursues outside funding such as grants and low-interest loans and refinances outstanding bonds when appropriate to reduce the financial burden for customers.

Over the past year, the COVID-19 pandemic has resulted in significant financial challenges for many of our customers. While EMWD is not

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### *YOU'RE INVITED TO ATTEND OUR RECYCLED WATER RATES PUBLIC HEARING*

**Date:** June 16, 2021

**Time:** 9 a.m.

**Location:** Eastern Municipal Water District Board Room, 2270 Trumble Road, Perris, CA 92570

The Board of Directors of Eastern Municipal Water District (EMWD) will conduct a public hearing to consider changes to the water and sewer rate structures and rates set forth herein. Any customers or property owners may appear at the hearing to make comments regarding the proposed change. To file an opposition, property owners and tenants of real property who are directly liable to pay water bills may submit a written protest. Written protests may be mailed or delivered in-person to Eastern Municipal Water District, Attention: 2022-2023 Proposed Rates, PO Box 8300, Perris, CA 92572-8300. Protests must include: your name, parcel number and/or service address, and your signature. All written protests must be received prior to the conclusion of the public hearing.

More information about the proposed changes is available in this document and online at **[www.emwd.org/ProposedRates](http://www.emwd.org/ProposedRates)**.

*Aviso de audiencia pública para considerar las tarifas de agua y alcantarilla basado en el costo de servicio.*

# Proposed Recycled Water Service Rates

EMWD is continuing to bring recycled water rates closer in line with the actual cost of operating and maintaining EMWD's recycled water system.

The proposed 5.8 percent increase for 2022 and 2023 is based on an average cost increase of 3.8 percent per year and an additional 2 percent to reduce the deficit between rates and operating expenses.

Proposed rates would be reflected on bills dated on or after January 1, 2022.

| Recycled Water Daily Service Charge | Current | Proposed           |                    |
|-------------------------------------|---------|--------------------|--------------------|
|                                     |         | Effective 1/1/2022 | Effective 1/1/2023 |
| 5/8 inch                            | \$0.46  | <b>\$0.48</b>      | <b>\$0.50</b>      |
| 3/4 inch                            | \$0.46  | <b>\$0.48</b>      | <b>\$0.50</b>      |
| 1 inch                              | \$0.63  | <b>\$0.66</b>      | <b>\$0.69</b>      |
| 1.5 inch                            | \$1.73  | <b>\$1.80</b>      | <b>\$1.88</b>      |
| 2 inch                              | \$2.69  | <b>\$2.81</b>      | <b>\$2.93</b>      |
| 3 inch                              | \$3.95  | <b>\$4.12</b>      | <b>\$4.29</b>      |
| 4 inch                              | \$5.23  | <b>\$5.45</b>      | <b>\$5.68</b>      |
| 6 inch                              | \$5.23  | <b>\$5.45</b>      | <b>\$5.68</b>      |
| 8 inch                              | \$5.23  | <b>\$5.45</b>      | <b>\$5.68</b>      |
| 10 inch                             | \$5.23  | <b>\$5.45</b>      | <b>\$5.68</b>      |
| 12 inch                             | \$5.23  | <b>\$5.45</b>      | <b>\$5.68</b>      |

| Rate Code              | Current Commodity per AF | Proposed Commodity per AF |                     | Description/Notes                                                                                     |
|------------------------|--------------------------|---------------------------|---------------------|-------------------------------------------------------------------------------------------------------|
|                        |                          | Rate as of 1/1/2022       | Rate as of 1/1/2023 |                                                                                                       |
| Services 4" or smaller |                          |                           |                     |                                                                                                       |
| R401                   | \$1,185.92               | \$1,192.46                | \$1,225.13          | Recycled Water Retrofit Program Agreement (75% of Tier 2 potable rates A101, A201, A301)              |
| R402                   | \$872.29                 | \$957.23                  | \$1,051.97          | Recycled Water Retrofit Program Agreement (75% of ID24 Tier 2 potable rate A202)                      |
| R403                   | \$1,045.44               | \$1,051.97                | \$1,084.64          | Recycled Water Retrofit Program Agreement (75% of potable Ag rate D101)                               |
| R432 -Summer           | \$162.34                 | \$171.76                  | \$182.72            | Ag-tertiary treated                                                                                   |
| R43W-Winter            | \$94.90                  | \$100.40                  | \$106.22            | Ag-tertiary treated                                                                                   |
| R442                   | \$476.42                 | \$504.05                  | \$533.28            | Demand Ag-tertiary (80% of R462)                                                                      |
| R462                   | \$595.52                 | \$630.06                  | \$666.60            | Non-Ag tertiary treated                                                                               |
| Services 6" or smaller |                          |                           |                     |                                                                                                       |
| R500                   | \$731.81                 | \$804.99                  | \$885.14            | Special Rate for Heartland (80% of A202)                                                              |
| R632 -Summer           | \$162.34                 | \$171.76                  | \$181.72            | Ag-tertiary treated                                                                                   |
| R63W-Winter            | \$94.90                  | \$100.40                  | \$106.22            | Ag-tertiary treated                                                                                   |
| R642                   | \$476.42                 | \$504.05                  | \$533.28            | Demand Ag-tertiary                                                                                    |
| R662                   | \$595.52                 | \$630.06                  | \$666.60            | Non-Ag-tertiary treated                                                                               |
| R682                   | \$67.44                  | \$80.93                   | \$97.11             | Department of Fish & Wildlife                                                                         |
| Construction Water Use |                          |                           |                     |                                                                                                       |
| RC42                   | \$836.35                 | \$841.58                  | \$867.71            | Tertiary Treated (60% of potable base rate A101)                                                      |
| Other Agencies         |                          |                           |                     |                                                                                                       |
| R4RC                   | \$350.87                 | \$375.43                  | \$401.71            | Wholesale Rate for Rancho California Water District (RCWD) & Elsinore Valley Municipal Water District |
| RARC                   | \$162.33                 | \$173.70                  | \$185.86            | RCWD Direct Retail Sales of R4RC                                                                      |
| RPRC                   | \$595.52                 | \$630.06                  | \$666.60            | Non-Ag-tertiary treated - Pechanga Band of Luiseño Indians                                            |
| Other Special Rates    |                          |                           |                     |                                                                                                       |
| R000                   | *                        | *                         | *                   | Special Rate for Surplus Water                                                                        |
| R43D                   | \$47.45                  | \$50.20                   | \$53.11             | Special Winter Incentive Rate                                                                         |
| R63D                   | \$47.45                  | \$50.20                   | \$53.11             | Special Winter Incentive Rate                                                                         |
| RAUG                   | \$755.00                 | \$799.00                  | \$852.00            | Special Rate for Augmentation Water                                                                   |

\*Temporary special rate for surplus water in winter set by General Manager if conditions warrant to avoid discharge and/or due to operational constraints.

# Proposed Sewer Service Rates

Many different components go into the operation of the sewer system, such as electricity, regulatory requirements, the operation and maintenance of collection pipes and lift stations to preserve pressure, and treatment. These costs must be considered when setting sewer rates.

EMWD's sewer rates are calculated using a baseline Daily Service Charge.

EMWD is proposing a 1 percent increase to the daily sewer service charge in 2022, and a 2 percent increase in 2023.



| Area Served<br>(Full Service)                                                             | Current Daily Service Charge (DSC) per Equivalent Dwelling Unit (EDU) | Proposed DSC per EDU as of 1/1/2022 | Proposed DSC per EDU as of 1/1/2023 |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Includes areas in and around Hemet, San Jacinto, and Winchester                           | \$0.97                                                                | <b>\$0.98</b>                       | <b>\$1.00</b>                       |
| Includes areas in and around Moreno Valley                                                | \$0.99                                                                | <b>\$1.00</b>                       | <b>\$1.02</b>                       |
| Includes areas in and around the City of Menifee (Sun City)                               | \$1.01                                                                | <b>\$1.02</b>                       | <b>\$1.04</b>                       |
| Includes areas in and around Temecula, Murrieta, and French Valley                        | \$1.14                                                                | <b>\$1.15</b>                       | <b>\$1.17</b>                       |
| Includes areas in and around Perris, Romoland, Homeland, and northern portions of Menifee | \$1.32                                                                | <b>\$1.33</b>                       | <b>\$1.36</b>                       |
| Canyon Lake*                                                                              | \$1.90+                                                               | <b>\$1.90+</b>                      | <b>\$1.90+</b>                      |

\* EMWD bills customers in this area for sewer service rendered through Elsinore Valley Municipal Water District, at the rate established by EVMWD, and is subject to further adjustments by EVMWD.

| Sewer System Capital Projects Charge<br>per Equivalent Dwelling Unit | Current Monthly Charge* | Proposed Monthly Charge* for bills dated on or after 1/1/22 | Proposed Monthly Charge* for bills dated on or after 1/1/23 |
|----------------------------------------------------------------------|-------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
|                                                                      | \$2.75                  | <b>\$3.07</b>                                               | <b>\$3.64</b>                                               |

\*Includes additional capital charge of \$0.25 in 2022 and \$0.50 in 2023 to fund Rehabilitation and Replacement reserve. \*\*Amount will be prorated based on billing cycle.

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currently shutting off water service due to non-payment, water service charges continue to accumulate resulting in a growing debt burden for EMWD.

EMWD's financial planning priorities allow us the ability to weather these challenging economic times while also helping our customers by offering a variety of payment assistance programs including: Payment due date extensions, flexible payment arrangements, a Level Payment Program, and Help2Others Program.

In addition, EMWD's water budget-based rate structure is designed to provide the lowest rates to customers who stay within their water budget.

So the next time you consider that drop of water flowing from the faucet or flushing down a drain, know that EMWD is working every day to make sure that rates and fees are set-up to provide customers with safe and reliable water, wastewater and recycled water services today, and tomorrow.

## EMWD Drought Stages

Thank you, EMWD customers, for staying WaterWise! EMWD adopted its Water Shortage Contingency Plan (WSCP) to regulate the delivery and consumption of water during water shortages. The higher stages of the WSCP are designed to encourage customers to reduce water use by temporarily reducing customer water budgets in varying stages, depending on the severity of the shortage. EMWD's Board of Directors has the authority to initiate or terminate water shortage contingency measures described in the WSCP, and takes such actions as needed in public meetings.



### Stage 1: Supply Watch

Voluntary reduction of water use of up to 10 percent.

### Stage 2: Supply Alert

Voluntary reduction of water use of up to 25 percent.

### Stage 3: Mandatory Waste Reduction

Enforced through changes to the water budget-based tiered rates as follows:

**Stage 3a:** No variances or adjustments allowed for filling swimming pools, establishing landscape, or leaks not repaired within 48 hours;

**Stage 3b:** Tier 3 (*Excessive use*) budgets reduced by 50 percent;

**Stage 3c:** Tier 3 budgets eliminated.

### Stages 4 and 5: Mandatory Outdoor and Indoor Reductions

Reduces customers' water budgets by varying amounts, depending on the severity of the shortage. Under normal conditions, customers who stay within budget are charged at the lowest rates in tiers 1 and 2. In stages 4 and 5, budgets are reduced, which would cause a customer going over budget to be charged at a tier 4 rate.