



# Ramona Municipal Water District

A Public Agency Organized August 15, 1956

## NOTICE OF PUBLIC HEARING

### Concerning Proposed Increases in Rates for General Untreated Water Services

**NOTICE IS HEREBY GIVEN THAT** the Board of Directors of the Ramona Municipal Water District (“the District”) will conduct a public hearing at **2:00 p.m. on September 10, 2019** at the Ramona Community Center, 434 Aqua Lane, Ramona, California 92065, following which it will consider adopting increases in rates for water services. If adopted water rate increases will go into effect on October 1, 2019 for Year 1 increases, and each subsequent July 1, from 2020 through 2023 for increases in Years 2-5.

## GENERAL UNTREATED WATER RATE INCREASES

### A. Purpose of Proposed Water Rate Increases

In order to recover increases in the District’s unit costs of providing water service and to continue to provide customers with safe and reliable drinking water, the District has determined that it is necessary to increase water rates as described in more detail below.

The District purchases 100% of its water from the regional water “wholesaler,” the San Diego County Water Authority (“SDCWA”). The SDCWA, in turn, purchases much of its water from the Metropolitan Water District of Southern California (MWD). The MWD imports water from the Colorado River via the Colorado River Aqueduct, and from Northern California via the California Aqueduct. The price of the wholesale water purchased by the District is continuing to rise in order to meet SDCWA’s increased costs for treatment, delivery, maintenance, and infrastructure. For example, the SDCWA treated water rate increased from \$1,042 per acre-foot in 2015, when the District last updated its rates, to \$1,194 per acre-foot in 2019. This increase alone represents a \$152 or 14.6% increase per acre-foot for the melded supply rate, which is one component of the cost of water purchased from the SDCWA. The SDCWA is projected to increase these rates again in 2020.

Additionally, the District must use energy (electricity or natural gas) to deliver the SDCWA water to customers. The water which the District purchases from SDCWA (treated drinking water and untreated irrigation water) passes through SDCWA pipelines in the City of Poway. The District maintains a Poway Pump Station which contains large motors totaling 7,600 horsepower that drive pumps to lift the water 1,000 feet up the hill to Ramona. There are other booster pump/motors totaling just over 4,600 horsepower which move the imported water around in the Ramona community after it arrives up the hill. The electricity and natural gas is purchased from San Diego Gas and Electric (SDG&E).

The District has also experienced increases in the costs to operate and maintain the District’s water system and to provide ongoing repairs, replacements, and upgrades. The District uses the revenues from water rates and water monthly system charges to pay for wholesale water purchases from SDCWA and to recover its operational and administrative costs of providing water service to customers as described above.

**B. Basis Upon Which the Proposed Rates are Calculated**

In 2015, the District contracted with an independent consulting firm, Raftelis Financial Consultants, Inc. (“RFC”), to review the operations costs, maintenance requirements, and infrastructure needs of the District’s water systems and to analyze appropriate and proportional water rates. RFC reviewed and updated its analysis in 2019 (“2019 RFC Report”), including consideration of projected operations, maintenance, and infrastructure costs for the coming years. Based upon RFC’s updated analysis, the proposed water rates are as follows:

**C. Proposed Water Rates**

**Proposed Water Rate Increases, per Unit (one hundred cubic feet, or 748 gallons).**

The proposed water rates include the District’s cost of purchasing water from SDCWA.

Rate*	Current Per-unit Rate	Effective October 1, 2019 (Year 1)	Effective July 1, 2020 (Year 2)*	Effective July 1, 2021 (Year 3)*	Effective July 1, 2022 (Year 4)*	Effective July 1, 2023 (Year 5)*
General untreated rate	\$4.88	\$5.93	\$6.35	\$6.80	\$7.28	\$7.79

\*Proposed water rates for Years 2-5 do not include future potential pass-through increases from the SDCWA or SDG&E which are authorized via the pass-through ordinance adopted by the District Board on July 9, 2019. The pass-through ordinance authorizes the District to pass through to all appropriate water customers future increases in the wholesale cost of water from the SDCWA (including the water commodity costs, transportation charge, capacity reservation charge, readiness to serve charge, customer service charge, emergency storage charge, infrastructure access charge, and supply reliability charge) and increases in the cost of energy supplied by SDG&E. The ordinance authorizes increasing the dollar amount of the water rates, pumping charges, and monthly system charges for retail water service equal to the dollar amount of the increase in the suppliers’ rates and the cost of energy supplied by SDG&E beginning July 1, 2020 and terminating on July 1, 2024, provided that no such increase shall exceed the cost of providing the applicable service. The total pass through impact on any given retail rate over a rolling three-year period shall not exceed a 35% increase. Pass-through increases are needed in order to maintain the safety and reliability of the District’s water system and to avoid deficits and depletion of financial reserves from rising costs which are outside the control of the District. Pass-through amounts could be added (in addition) to the figures shown above for Years 2-5, starting on the July 1, 2020 effective date.

The proposed water rates as calculated from the 2019 RFC Report, will not exceed the cost of providing water service to District customers. The cost of providing water service includes not only immediate operating costs, but long-term operating and capital needs as well. Water rates and charges are only used by the District to provide ongoing water service to District customers, in proportion to the costs necessary to provide water service to each customer. If adopted, the proposed water rate increases would go into effect on October 1, 2019 for Year 1, and on each July 1 from 2020 through 2023 for Years 2-5.

## **PROTESTS**

At the public hearing, the Board of Directors will consider objections and protests to the proposed rates for water services. Any property owner or any tenant directly responsible for the payment of such rates may submit a written protest to the proposed increases to the rates; provided, however, that only one protest will be counted per identified parcel. Each written protest must: (1) state that the identified property owner or tenant is opposed to the proposed water rate increases; (2) provide the location of the identified parcel (by assessor's parcel number or street address) where the water service is provided; and (3) include the name and signature of the property owner or tenant submitting the protest. Protests may include any additional information or material for the District to consider.

Written protests may be submitted by mail or in person to the Ramona Municipal Water District, 105 Earlham Street, Ramona, California 92065, or at the public hearing on September 10, 2019, so long as they are received prior to the close of the public hearing on water services, which will occur when public testimony on the proposed rate increases is concluded. Protests 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, that the enclosed protest is for the public hearing on the Proposed Increases in Rates for Water and which rate increase or increases you are protesting. If you challenge the matter in court, you may be limited to raising those issues regarding the manner, method, costs or other matters concerning the basis of the rates which you or someone else raised at the public hearing described in this Notice or in written correspondence delivered to the District at, or prior to, the public hearing.

The District's Board of Directors will hear and consider all properly presented written 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. If written protests against the proposed rates are not presented by a majority of the property owners or customers of the identified parcels upon which the rates are proposed to be imposed, the Board of Directors will be authorized to adopt the proposed rate increases. The District remains committed to operating efficiently and plans to only increase water rates as needed to fund the costs of providing safe and reliable services to its customers.

If you wish to receive a copy of the 2019 RFC Report (Water) or the Dudek capital improvement plan (Facilities Plan) please send your request to the address below. As noted above, the public hearing is scheduled for 2:00 p.m. on September 10, 2019 at the Ramona Community Center, 434 Aqua Lane, Ramona, California 92065.

Thank you,

**Ramona Municipal Water District  
105 Earlham Street  
Ramona, CA 92065-1599  
Attn: Public Hearings – 2019 General Untreated Water Rates  
(760) 788-2203**