



RAMONA MUNICIPAL WATER DISTRICT

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NEWS RELEASE

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RAMONA’S ROLE IN THE SAN DIEGO WATER REGION Q&A WITH DIRECTOR NORMAN, RMWD’S SDCWA REPRESENTATIVE

Ramona, CA – Diane Princess Norman was sworn in on December 6th, 2024, as a Director for Division 5 of the Ramona Municipal Water District (Ramona). Division 5 covers the eastern portion of the District, primarily Old Julian Highway, Rancho San Vicente Homeowners Association and a portion of the San Diego Country Estates.



Director Diane “Princess” Norman with Water Authority colleagues on a tour of the State Water Project in Northern California in February 2025.

Representation and Communication

I began representing Ramona on the San Diego County Water Authority (Water Authority) Board in August 2024, before I took office in December 2024. At each Ramona Board of Director’s meetings, I give a report out on the previous Water Authority’s meetings and give a preview of any important upcoming votes. Directors provide feedback on topics that they are concerned about. For example, recently, Ramona’s Directors have been very concerned about ensuring that the agricultural water rate program continues to support agriculture in Ramona. This program is also known as the “PSAWR” program (Permanent Special Agricultural Water Rate)¹. Residents and businesses are encouraged to attend Ramona’s Board of Directors meetings or reach out to me via email if there are concerns about the Water Authority.

Working with the Water Authority is a team effort at Ramona. Our General Manager, Chief Financial Officer (CFO), and Operations Manager all attend Water Authority-related meetings. For example, there is a specific monthly meeting for the Member Agency Finance Officers,

¹ For more information on the agricultural water rate program, please see RMWD’s PSAWR website: <https://www.rmwd.org/customer-service/psawr>

which our CFO attends. Ramona's staff and I meet to discuss the topics from these meetings prior to the Water Authority Board of Director meetings.

Ramona relies on the Water Authority for 100% of its water supply. Which means that what happens at the Water Authority is very important for us. However, it can be hard to make an impact as a small agency, as the Water Authority vote is based on historical financial contribution. This means that the City of San Diego has the largest share of votes at 42% as the City has purchased the largest amount of water. Ramona as one of the smaller agencies and thus one of the smaller water purchasers has only 1.5% of the weighted vote. Therefore it is important to have good working relationships among agencies with similar issues and concerns to build voting strength or consensus.

One of the concerns for smaller agencies, such as both Ramona and Valley Center, that do not have local supplies is that as the City of San Diego and East County Advanced Water Purification projects will be brought online in 2026, the Water Authority will be selling less water despite having acquired water supplies and built treatment and distribution systems for that larger volume of water. That means that if the Water Authority continues to recover its costs primarily on a volumetric basis, that agencies that do not have local supplies will see higher rates. There are some efforts to recalibrate the Water Authority's rates with a higher fixed charge so that the redistribution of costs is fairer and does not overly burden those agencies that are the most reliant on the Water Authority.

Agricultural Water Use and Rate ("PSAWR")

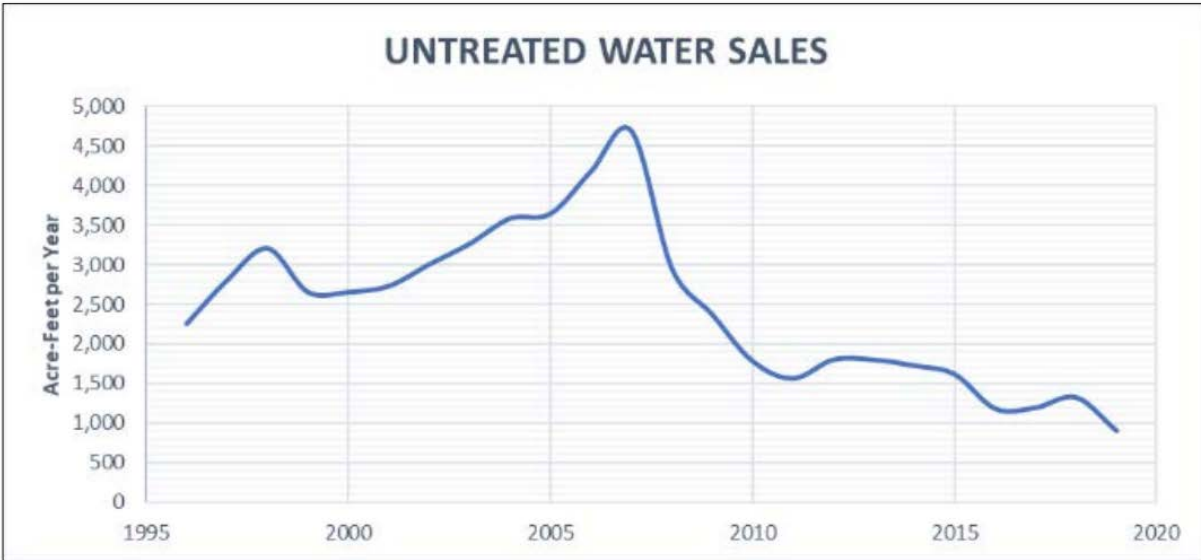
Agricultural Water Use in Ramona

Ramona's agricultural water rate customers have fluctuated over the years. In 2020, there were 86 accounts signed up with a dip to 45 in 2022 and currently there are 59. Ramona has done some additional outreach in the last two years, which likely resulted in more sign-ups. However, not every agricultural grower in Ramona is part of this program. Some rely solely on groundwater for their crops. Some choose not to enter the program and take the lower rate as they do not want to experience cutbacks during water shortages. Current limitations in the program are that only crops and orchards are supported and customers who primarily raise animals are not eligible for the program. Ramona has supported expanding the program to additional agricultural uses.

The water sold as part of the untreated water system on the western side of Ramona cannot be used for drinking and is primarily used for agriculture. As shown in the chart below, untreated water sales peaked in 2007; however, with the loss of many avocado orchards in the Witch Creek Fire, untreated water purchases dropped dramatically and have continued to decline as growers switch to crops that use less water than avocados. It's not clear if agriculture has declined in Ramona, as the County² crop reports only track at the County level, or if just the presence of higher water consumption crops like avocados has declined. Ramona has seen an increase in the number of vineyards and wineries in the community. In 2024, there were 50 plus wineries up from 20 in 2006.

² County of San Diego annual crop reports can be found on the Agriculture Weights and Measures website: <https://www.sandiegocounty.gov/awm/>

Untreated Water Sales for Agriculture in Ramona



PSAWR Rate

The Water Authority has offered an agricultural water rate since 2008. However, the program has had several iterations. In September 2020, the Water Authority approved the current program, which is called the Permanent Special Agricultural Water Rate (PSAWR) Program.

The PSAWR rate that the Water Authority publishes in its annual PSAWR Handbook is the average rate for all the member agencies that are part of the program. These agencies include the Cities of Escondido, Poway and Oceanside, Olivenhain Municipal Water District (MWD), Vallecitos Water District, Yuima MWD and Valley Center MWD. The savings have increased as the water rates have increased. Each agency has to calculate its PSAWR rate based on the methodology in the handbook and each agency pays a different charge to the Water Authority for two of the three components that make up the PSAWR savings. As Ramona has lower water usage than other agencies, it pays less for the Storage Charge and the Supply Reliability Charge and therefore, these two components are less than average. For example, for calendar year 2025, the District's agricultural water rate resulted in a savings of \$1.73 per unit or \$755 per acre foot (AF) for agricultural customers compared to the average shown in the handbook of \$806 per AF. For Ramona, the treated water volumetric rate, PSAWR treated rate and associated savings for 2021-2025 were as follows:

Ramona's Treated Water and Agricultural Water Costs*

Year	Treated Water Rate (\$/AF)	PSAWR Savings (\$/AF)	PSAWR Treated Rate (\$/AF)	Percent Savings (%)
2021	\$2,793	\$404	\$2,389	14.4%
2022	\$2,857	\$446	\$2,411	15.6%
2023	\$2,975	\$458	\$2,517	15.4%
2024**	\$3,160 / 3,165	\$575 / \$621	\$2,585 / 2,544	18.1 / 19.6%
2025	\$3,505	\$755	\$2,750	21.5%

*Pumping rate not included for PSAWR or Treated Water Rate in this table. Prices are as of January 1 of each year unless otherwise noted.

** Rate increase took place mid-year so PSAWR savings was also raised.

All agencies, including Ramona, are required to submit an annual verification report to the Water Authority to show that the PSAWR cost reductions are being passed on to agricultural water customers. At the November 2022 Board meeting³, prior to my joining the Ramona Board, finance staff gave a presentation explaining how the PSAWR credits are calculated and reconciled. The presentation showed that in most years, Ramona is passing on slightly more credits to agricultural customers than it is receiving from the Water Authority. However, I agree that posting an annual reconciliation on Ramona’s website on the PSAWR page would be helpful.

Changes are being made to the PSAWR program as California’s Constitution via Proposition 26 requires that the cost of providing service not exceed the benefits received. The previous PSAWR rate was tied to the Metropolitan Water District water rate. However, now that the Water Authority buys very little Metropolitan water, a new cost of service study was required. While agricultural customers are now paying for storage, the Water Authority has proposed three options for Calendar Year 2026:

1. A cost-based discount of \$500 per AF, which is less than the current discount of approximately \$800 per AF as storage is now being charged.
2. A cost-based discount (\$500 per AF) plus supplemental funding (\$400 per AF) for a total of \$900 per AF.
3. A full-service supplement which would remove PSAWR’s lower reliability but may provide less of a discount over time.

It is important for customers to understand that options 2 and 3 require using property tax to supplement the agricultural water rate, which does result in non-agricultural customers paying more for water. However, the economic benefit of keeping high water use customers and agriculture in San Diego is thought to outweigh the benefits of the slight increase for municipal customers, which would pay more if there was a further serious decline in agricultural water sales.

Both the San Diego County Farm Bureau and Ramona recommended Option 2 be chosen, as this would maintain the same level of discount for agricultural water despite the addition of a charge for storage. The Water Authority voted on these options on November 20, 2025 and Option 2 was chosen. These rates will take effect for Calendar Year 2027.

For 2026, the current PSAWR methodology is in effect, which does not include PSAWR customers paying for storage. Ramona’s 2026 PSAWR rate is as follows:

Ramona’s Treated Water and Agricultural Water Costs*

Year	Treated Water Rate (\$/AF)	PSAWR Savings (\$/AF)	PSAWR Treated Rate (\$/AF)	Percent Savings (%)
2026	\$3,707	\$845	\$2,862	22.8%

Through participation at the Water Authority, Ramona benefits from programs like PSAWR, and more importantly ensures Ramona has a voice in the decisions impacting the water supply for our rural community.

³ Item F.2 PSAWR Reconciliation - November 8, 2022 Board agenda packet:
<https://www.rmwd.org/home/showpublisheddocument/3534/638034915380800000>