RAMONA MUNICIPAL WATER DISTRICT

Regular Meeting of the Board of Directors
Ramona Community Center
434 Aqua Lane, Ramona, CA 92065
Tuesday, July 9, 2019
2:00 P.M.

AGENDA

A. Opening of Meeting

A.1. Call to Order and Pledge of Allegiance

A.2. Consideration of Non-Agenda Items Which Arose Subsequent to the Posting of the Agenda

A.3. Adoption of Agenda for Meeting of July 9, 2019

A.4. Opportunity for Members of the Public to Address the Board on any Subject within its Jurisdiction but not on the Agenda

A.5. Announcements and/or Informational Reports from Board and/or Staff

A.5.a. General Manager's Report

A.5.b. Committee Reports

A.5.c. Staff Reports

B. Ministerial Items

B.1. Consent Calendar
(All matters on the consent calendar are to be approved by one motion unless a Board Member requests separate action on a specific item)

B.1.a. Adoption of the Regular Board Meeting Minutes for June 11, 2019

Recommendation: To adopt the Minutes for June 11, 2019.

B.1.b. Acceptance of Monthly Financial Reports – May 2019

Recommendation: No staff recommendation.

C. Public Hearing/Bid Openings

C.1. Public Hearing - To Take Public Input on Modifying the Water Rates in the Water Service Area

C.1.a Discussion and Possible Action to Adopt an Ordinance Modifying the District's Water Rates and Fees

Recommendation: Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.1., the Board approve the rate and fee changes to be effective August 1, 2019 for year 1, and subsequent Year 2-5 increases effective annually on July 1 from 2020-2023, by adopting the attached Ordinance.

C.2. Public Hearing – To Take Public Input on the Modifying the Sewer System Charges in the San Vicente and Santa Maria Sewer Service Areas

C.2.a. Discussion and Possible Action to Adopt an Ordinance Modifying the District's San Vicente and Santa Maria Sewer Service Charges Effective July 1, 2019 for Year 1 Adjustments and Annually Thereafter

Recommendation: Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.2., the Board approve the rate adjustments to be effective July 1, 2019 for Year 1 adjustments, and each July 1 thereafter from 2020-2023 for Years 2-5 adjustments, by adopting the attached Ordinance.

C.3. Public Hearing – To Take Public Input on the Modifying the Water Capacity and Connection Fees and Deposits

C.3.a. Discussion and Possible Action to Adopt an Ordinance Amending the District's Legislative Code Chapters 7.16, 7.28, and 7.44 and Adopting Revisions to the District's Water Capacity and Connection Fees and Deposits

Recommendation: Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.3., the Board amend the District's Legislative Code sections relating to water capacity and connection fees and the application fee by adopting the attached Ordinance.

C.4. Public Hearing – To Take Public Input on Proposed Changes to the Ambulance and Paramedic User Fees

C.4.a. Discussion and Possible Action to Adopt an Ordinance Modifying Ambulance and Paramedic User Fees

Recommendation: Fire Department Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.4., the Board adopt the proposed Ordinance which will modify the Ambulance and Paramedic User Fees and revise Legislative Code Section 5.20.090 through the inclusion of the new Section 5.20.95 "Ambulance and Paramedic User Fees Adjustments".

D. Agenda Items which Anticipate Possible Input from Members of the Public
(This space on the agenda is reserved in the event a member of the public is scheduled to address the Board)

E. Agenda Items which Anticipate Possible Input from Other Agencies/Consultants
(This space on the agenda is reserved in the event another agency/consultant is scheduled to address the Board)

F. Agenda Items which Anticipate Possible Input from Staff

G. Closed Session – NOT OPEN TO THE PUBLIC

G.1. Conference with Legal Counsel - Anticipated Litigation

Initiation of litigation pursuant to Government Code section 54956.9(d)(4)-(1 case)

H. Remaining Agenda Items

H.1. Directors' Reports of Reimbursed Meetings

Pursuant to Legislative Code Section 2.08.140, members of the Board who receive reimbursement from the District for their actual and necessary expenses for attending meetings outside the District shall either prepare a written report to be submitted at the next subsequent Board meeting or make a verbal report during the next regular Board meeting. The report shall detail the information that may be of benefit to the District that was presented at the meeting

I. Closing Agenda Items

I.1. Date and Time for the Next Regular Meeting

August 13, 2019 - 2:00 p.m.

Adjourn

Ramona Municipal Water District in complying with the Americans with Disabilities Act (ADA), requests individuals who require specific accommodations to access, attend or participate in the Board Meeting, due to a disability, to please contact the Administrative Services Department at least two business days prior to the scheduled meeting to ensure that the District may assist you. Telephone: (760) 789-1330; T.D.D.: (760) 789-9497.

NOTE: ANY ITEM APPEARING ON THIS AGENDA MAY BE DISCUSSED AND ACTION MAY BE TAKEN AT THE DISCRETION OF THE BOARD OF DIRECTORS

The Agenda was posted at least 72 hours before the meeting in a location freely accessible to the public. Additions to the Agenda may be made in accordance with Section 54954.2 of the California Government Code. Agenda item memorandums or documents prepared for the Board of Directors are available for public review at the RMWD office, 105 Earlham Street, Ramona, California during normal business hours, Monday through Friday 7:30 a.m. to 4:00 p.m. and online at www.rmwd.org. The Agenda is also posted at the Ramona Public Library.

MINUTES FOR THE MEETING
OF THE BOARD OF DIRECTORS
OF THE RAMONA MUNICIPAL WATER DISTRICT
June 11, 2019

PRESENT

Jim Robinson	President
Jim Hickle	Vice President
Bryan Wadlington	Secretary
Thomas Ace	Treasurer
Jeff Lawler	Director

A. Opening of Meeting

A.1. Call to Order and Pledge of Allegiance

The Regular Meeting of the Board of Directors of the Ramona Municipal Water District was called to order by President Robinson at 2:00 p.m., at the Ramona Community Center, 434 Aqua Lane, Ramona, County of San Diego, State of California.

President Robinson led the Board and members of the audience in the Pledge of Allegiance.

A.2. Consideration of Non-Agenda Items Which Arose Subsequent to the Posting of the Agenda

None.

A.3. Adoption of Agenda for Meeting of June 11, 2019

M\S\C MOTION TO ADOPT THE AGENDA AS PRESENTED (Ace/Wadlington)

AYES:	Ace, Hickle, Lawler, Robinson, Wadlington
NOES:	None
ABSTAIN:	None
ABSENT:	None

A.4. Opportunity for Members of the Public to Address the Board on any Subject within its Jurisdiction but not on the Agenda

Barry Willis spoke to the Board about his confirmed position with the San Diego Local Agency Formation Commission, and his desire to become more acquainted with his constituents.

A.5. Announcements and/or Informational Reports from Board and/or Staff

A.5.a. General Manager's Report

None.

A.5.b. Committee Reports

None.

A.5.c.- Staff Reports

None.

B. Ministerial Items

B.1. Consent Calendar
(All matters on the consent calendar are to be approved by one motion unless a Board Member requests separate action on a specific item)

B.1.b. Acceptance of Monthly Financial Reports – April 2019

Recommendation: No staff recommendation.

B.1.c. Adoption of a Resolution to Collect Delinquent Water Charges by Placement on the San Diego County Property Tax Rolls

Recommendation: Staff respectfully recommends that the Board adopt a Resolution to collect delinquent water charges by placing them on the San Diego County property tax rolls.

M\S MOTION TO APPROVE THE CONSENT CALENDAR AS PRESENTED (Ace/Hickle)

After the motion was presented, it was mentioned that two board members were absent from the May meeting and would need to abstain on approval of the minutes.

M\S\C MOTION AMENDED TO APPROVE THE CONSENT CALENDAR WITH ALL ITEMS EXCEPT FOR THE MINUTES (Ace/Lawler) [B.1.c. Resolution No. 19-1538]

AYES: Ace, Hickle, Lawler, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: None

B.1.a. Adoption of the Regular Board Meeting Minutes for May 14, 2019

Recommendation: To adopt the Minutes for May 14, 2019.

M\S\C MOTION TO APPROVE THE REGULAR BOARD MEETING MINUTES FOR MAY 14, 2019 (Ace/Lawler)

AYES: Ace, Lawler, Robinson
NOES: None
ABSTAIN: Hickle, Wadlington
ABSENT: None

C. Public Hearing/Bid Openings
(This space on the agenda is reserved in the event there is a public hearing or bid opening)

D. Agenda Items which Anticipate Possible Input from Members of the Public
(This space on the agenda is reserved in the event a member of the public is scheduled to address the Board)

E. Agenda Items which Anticipate Possible Input from Other Agencies/Consultants
(This space on the agenda is reserved in the event another agency/consultant is scheduled to address the Board)

F. Agenda Items which Anticipate Possible Input from Staff

F.1. Discussion and Possible Action to Adopt an Ordinance to Continue Sewer Availability Charges for Property in the San Vicente Sewer Service Area for Fiscal Year 2019-20

Recommendation: Staff respectfully recommends that the Board adopt an Ordinance to continue sewer availability charges for property in the San Vicente Sewer Service Area for fiscal year 2019-20.

General Manager Barnum introduced the agenda item. Chief Financial Officer, Craig Schmollinger, provided a short summary of the charge and how it is applied to customer parcels. There was further discussion on the origination and reasons for the charge.

M\S\C **MOTION TO APPROVE THE CONTINUATION OF THE SEWER AVAILABILITY CHARGES (Lawler/Hickle)** [Ordinance No. 19-453] by the following roll call vote:

AYES: Ace, Hickle, Lawler, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: None

G. Closed Session – NOT OPEN TO THE PUBLIC

The board entered closed session at 2:09 p.m.

G.1. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)-(1 case) Plantier, et al. v. Ramona Municipal Water District (Case No. 37-2014-00083195-CU-BT CTL/D069798/S243360)

G.2. Conference with Legal Counsel - Anticipated Litigation
Initiation of litigation pursuant to Government Code section 54956.9(d)(4)-(1 case)

Closed session ended at 3:19 p.m. Legal Counsel reported that direction was given with no reportable action taken.

H. Remaining Agenda Items

H.1. Hearing to Consider Adoption of a Resolution Of Necessity Of The Board Of Directors Of The Ramona Municipal Water District Pertaining To The Acquisition Of Certain Property And Interests In Property For Use By The District In Its Emergency Spray Fields Project In Compliance With The Requirements Of Section 1245.230 Of The California Code Of Civil Procedure; Finding And Determining That The Public Interest, Convenience And Necessity Require The Acquisition By Eminent Domain; Finding The Acquisition Of The Subject Property Is Exempt From CEQA; And Authorizing The Payment Of Funds

Recommendation: District staff respectfully recommends that the Board receive the staff presentation, hold the required hearing, and approve the Resolution of Necessity.

President Robinson and Legal Counsel introduced the agenda item. District Engineer, Mike Metts, gave a presentation on the spray field project details and costs, the subject property details: APN's 284-110-37, 284-130-90 and 284-150-15 (approximately 48 acres) and steps to the eminent domain process. Project details included the beneficial aspects of the acquisition, which included the proximity to the San Vicente Plant and the existing infrastructure that has supplied recycled water to the property in question for many years. He also reviewed the alternatives considered and why they were rejected. The urgency of the need was described as storage constraints and rainfall patterns, and after careful consideration it was determined that this project most greatly benefited the public interest with the least private injury. Mr. Metts confirmed that statutory offer negotiations have occurred with the owners of record, but no agreement has been signed.

Legal counsel declared that the establishment of legal qualifications required for eminent domain were met and invited public comment prior to the close of the public hearing.

President Robinson opened the public hearing for comment at 3:36 p.m. to any interested parties. Legal counsel noted for the record that proper legal notice was given for the public hearing and the property owners were not present; there were also no speaker slips from the general public regarding this item.

President Robinson closed the public hearing at 3:37 p.m.

Board discussion followed regarding the consequences of not having adequate disposal options and how the District has struggled in the past to find viable options. The Board thanked staff for their work on this solution.

M\S\C **MOTION TO APPROVE RESOLUTION NUMBER 19-1539, RESOLUTION OF NECESSITY (Ace/Wadlington)** [Resolution No. 19-1539] by the following roll call vote:

AYES: Ace, Hickle, Lawler, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: None

H.2. Directors' Reports of Reimbursed Meetings

Pursuant to Legislative Code Section 2.08.140, members of the Board who receive reimbursement from the District for their actual and necessary expenses for attending meetings outside the District shall either prepare a written report to be submitted at the next subsequent Board meeting or make a verbal report during the next regular Board meeting. The report shall detail the information that may be of benefit to the District that was presented at the meeting

None reported.

I. Closing Agenda Items

I.1. Date and Time for the Next Regular Meeting

July 9, 2019 - 2:00 p.m.

President Robinson adjourned the meeting at 3:41 p.m.

Adjourn

Jim Robinson, President
Board of Directors
RAMONA MUNICIPAL WATER DISTRICT

RAMONA MUNICIPAL WATER DISTRICT

AGENDA MEMO

Agenda Item No. B.1.b.
Regular Board Meeting of July 9, 2019

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: ACCEPTANCE OF MONTHLY FINANCIAL REPORTS – MAY 2019

Members of the Board:

Purpose
To present monthly financial reports for the month of May 2019.

Background
Accounts with May financial activity are closed during the month of June and submitted to the Board in July.

Discussion
The monthly reports for May are submitted.

Fiscal Impact
None.

Recommendation
No staff recommendation.

Prepared by: Craig Schmollinger, Chief Financial Officer

Submitted by: David Barnum, General Manager

ATTACHMENTS:

Attachment 1	May Financials	B.1.b. Page 2-14

RAMONA MUNICIPAL WATER DISTRICT

UNAUDITED STATEMENT OF OPERATING DEPARTMENTS

FOR MAY 2019 AND THE ELEVENTH MONTH ENDING MAY 31, 2019

	MONTH OF May	Y TO D May-19	Y TO D May-18	Y TO D BUDGET	VARIANCE FAV (UNFAV)
FUND 01 - WATER					
REVENUES	1,099,183	15,419,727	16,223,902	15,910,530	(490,803)
EXPENDITURES	(1,057,631)	(12,211,000)	(13,362,024)	(14,354,056)	2,143,056
TRANSFER TO CAPITAL/GENERAL FUND	(224,566)	(4,137,194)	(2,029,290)	(4,363,664)	226,470
NET RESULT OF OPERATION-FAV(UNFAV)	**(183,015)**	**(928,467)**	**832,588**	**(2,807,190)**	1,878,723
FUND 02 - FIRE					
REVENUES	505,481	5,382,796	5,426,892	5,202,241	180,555
EXPENDITURES	(551,748)	(6,272,344)	(5,553,490)	(6,170,264)	(102,080)
TRANSFER TO CAPITAL/GENERAL FUND	0	0	0	0	0
NET RESULT OF OPERATION-FAV(UNFAV)	**(46,267)**	**(889,548)**	**(126,598)**	**(968,023)**	78,475
FUND 03 - PARKS					
REVENUES	10,833	122,135	114,204	119,167	2,968
EXPENDITURES	0	(97,500)	(130,000)	(119,167)	21,667
TRANSFER TO CAPITAL/GENERAL FUND	0	0	0	0	0
NET RESULT OF OPERATION-FAV(UNFAV)	**10,833**	**24,635**	**(15,796)**	**0**	24,635
FUND 04 - SAN VICENTE SANITATION					
REVENUES	271,875	2,823,994	2,736,049	2,897,950	(73,956)
EXPENDITURES	(94,812)	(1,467,919)	(1,302,363)	(1,728,011)	260,092
TRANSFER TO CAPITAL/GENERAL FUND	(65,323)	(1,048,953)	(1,090,300)	(1,114,689)	65,736
NET RESULT OF OPERATION-FAV(UNFAV)	**111,740**	**307,122**	**343,386**	**55,250**	251,872
FUND 05 - SANTA MARIA SANITATION					
REVENUES	419,547	3,726,592	3,651,557	3,952,831	(226,239)
EXPENDITURES	(149,191)	(1,556,932)	(1,475,602)	(1,619,860)	62,928
TRANSFER TO CAPITAL/GENERAL FUND	(65,323)	(3,548,953)	(2,590,300)	(3,614,689)	65,736
NET RESULT OF OPERATION-FAV(UNFAV)	**205,033**	**(1,379,293)**	**(414,345)**	**(1,281,718)**	(97,575)
FUND 06 - GENERAL					
REVENUES	20,309	453,981	326,820	412,500	41,481
TRANSFER FROM OPERATING FUNDS	355,212	3,013,834	3,209,890	3,343,042	(329,208)
TOTAL REVENUES/TRANSFERS	375,521	3,467,815	3,536,710	3,755,542	(287,727)
EXPENDITURES					
BOARD OF DIRECTORS	(4,023)	(166,375)	(285,972)	(309,925)	143,550
GENERAL MANAGER	(45,615)	(383,836)	(372,366)	(379,938)	(3,898)
ENGINEERING	(53,389)	(418,295)	(358,260)	(518,870)	100,575
FINANCE	(132,948)	(1,007,743)	(1,023,762)	(1,196,204)	188,461
HUMAN RESOURCES	(120,188)	(1,163,120)	(1,169,528)	(1,350,601)	187,481
TOTAL EXPENDITURES	(356,164)	(3,139,368)	(3,209,888)	(3,755,538)	616,170
NET RESULT OF OPERATION-FAV(UNFAV)	**19,357**	**328,447**	**326,822**	**4**	328,443
SUMMARY - ALL OPERATING FUNDS					
REVENUES	2,327,228	27,929,224	28,479,424	28,495,218	(565,994)
EXPENDITURES	(2,209,546)	(24,745,063)	(25,033,367)	(27,746,896)	3,001,833
NET TRANSFERS	0	(5,721,266)	(2,500,000)	(5,750,000)	28,734
NET RESULT OF OPERATION-FAV(UNFAV)	**117,682**	**(2,537,104)**	**946,058**	**(5,001,678)**	2,464,573

RAMONA MUNICIPAL WATER DISTRICT
CASH POSITION STATEMENT
May 31, 2019

FUND #	DESCRIPTION	BEGINNING BALANCE	ACTIVITY	ENDING BALANCE
	OPERATING FUNDS			
01	Water Fund	$9,012,031.49	($6,513.98)	$9,005,517.51
02	Fire Fund	$4,226,712.31	$135,446.18	$4,362,158.49
03	Park Fund	$269,981.87	$1,342.24	$271,324.11
04	Sewer - San Vicente	$3,278,686.21	($124,969.24)	$3,153,716.97
05	Sewer - Santa Maria	$3,830,632.62	($2,838.44)	$3,827,794.18
06	General Fund	$3,534,416.03	$26,395.02	$3,560,811.05
	Total Operating Funds	**$24,152,460.53**	**$28,861.78**	**$24,181,322.31**
	DEBT SERVICE FUNDS			
51	Water Debt Service	$724,883.23	$956.74	$725,839.97
54	Assessment District 99-1	$127,124.72	$0.18	$127,124.90
	Total Debt Service Funds	**$852,007.95**	**$956.92**	**$852,964.87**
	CAPITAL PROJECTS & EQUIPMENT			
10	Cap. Replacement - Energy	$85,209.10	($62,718.46)	$22,490.64
11	Cap. Replacement - Water	$3,387,589.03	($21,343.74)	$3,366,245.29
12	Cap. Improvement - Fire	$293,508.06	($3,139.66)	$290,368.40
14	Cap. Improvement - San Vicente	$290,695.96	$0.00	$290,695.96
15	Cap. Improvement - Santa Maria	$2,355,321.62	$0.00	$2,355,321.62
22	Cap. Replacement - San Vicente	$4,724,432.37	($55,158.36)	$4,669,274.01
24	Cap. Improvement - Fire Mitig. Fees	$705,781.33	($8,925.39)	$696,855.94
25	Cap. Replacement - Santa Maria	$7,308,288.77	$32,434.20	$7,340,722.97
26	Cap. Improvement - General Fund	$965,611.24	($556.29)	$965,054.95
43	Cap. Improvement - Water	$3,570,801.12	($86,012.60)	$3,484,788.52
	Total Cap Proj & Equip	**$23,687,238.60**	**($205,420.30)**	**$23,481,818.30**
	TOTAL ALL FUNDS	**$48,691,707.08**		**$48,516,105.48**

RAMONA MUNICIPAL WATER DISTRICT

INVESTMENTS AND BANK ACCOUNTS

MAY 31, 2019

INVESTMENT	PRIOR MONTH	CHANGE	CURRENT MONTH	AVG** YIELD	INTEREST EARNED
LOCAL AGENCY INVESTMENT FUNDS:	$31,778,317	$0	$31,778,317	2.55%	
TOTAL INVESTMENTS	$31,778,317	$0	$31,778,317	2.55%	
C A S H					
GENERAL CHECKING	$16,913,390	($175,602)	$16,737,788	0%	
TOTAL CASH	$16,913,390	($175,602)	$16,737,788		
TOTAL CASH AND INVESTMENTS	**$48,691,707**	**($175,602)**	**$48,516,105**		

All investments are in compliance with the Ramona Municipal Water District Investment Policy.

The current cash flow estimates indicate sufficient liquidity to meet the expenditure needs for the next six months.

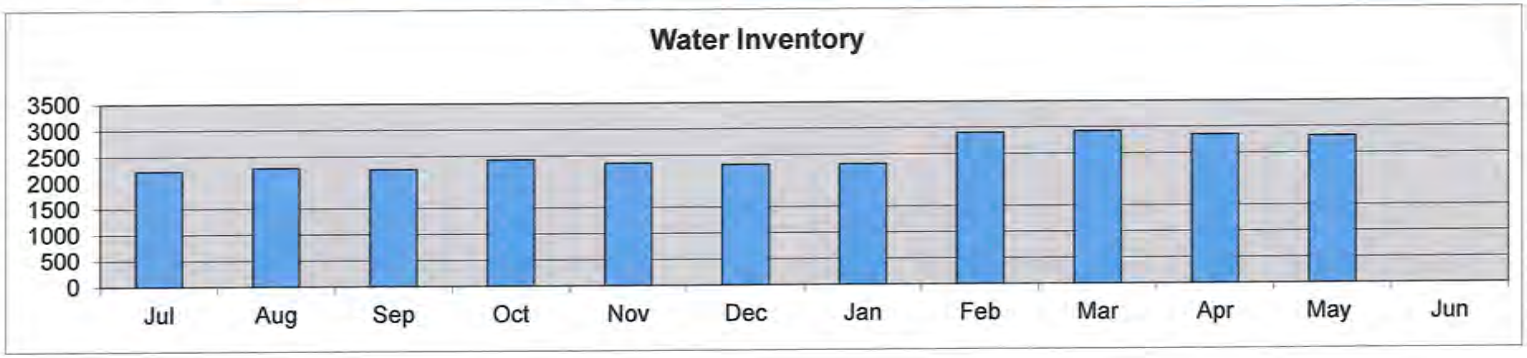
** Interest Earned reflects the rolling quarterly interest rate earned.

RAMONA MUNICIPAL WATER DISTRICT
WATER INVENTORY
May 31, 2019

-BEGINNING INVENTORY May 1, 2019				ACTIVITY FOR MONTH (USAGE) INVENTORY INCREASE		-ENDING INVENTORY May 31, 2019		
Description	acre feet	cost/acre ft	total value	acre feet	total value	acre feet	cost/acre ft	total value
LAKE RAMONA								
	7.3	$1,052	$7,679.60	(7.3)	($7,679.60)	0.0	$1,052	$0.00
	31.9	$965	$30,783.50	(20.4)	($19,686.00)	11.5	$965	$11,097.50
	123.2	$931	$114,699.20		$0.00	123.2	$931	$114,699.20
	13.1	$937	$12,274.70		$0.00	13.1	$937	$12,274.70
	59.9	$922	$55,227.80		$0.00	59.9	$922	$55,227.80
	13.1	$931	$12,196.10		$0.00	13.1	$931	$12,196.10
	19.1	$1,292	$24,677.20		$0.00	19.1	$1,292	$24,677.20
	64.2	$1,046	$67,153.20		$0.00	64.2	$1,046	$67,153.20
	121.4	$948	$115,087.20		$0.00	121.4	$948	$115,087.20
	91.7	$958	$87,848.60		$0.00	91.7	$958	$87,848.60
	26.6	$964	$25,642.40		$0.00	26.6	$964	$25,642.40
	6.4	$1,101	$7,046.40		$0.00	6.4	$1,101	$7,046.40
	124.0	$1,086	$134,664.00		$0.00	124.0	$1,086	$134,664.00
	171.6	$1,050	$180,180.00		$0.00	171.6	$1,050	$180,180.00
	44.1	$1,078	$47,539.80		$0.00	44.1	$1,078	$47,539.80
	75.9	$1,058	$80,302.20		$0.00	75.9	$1,058	$80,302.20
	25.6	$1,113	$28,492.80		$0.00	25.6	$1,113	$28,492.80
	135.4	$1,311	$177,509.40		$0.00	135.4	$1,311	$177,509.40
	114.9	$1,140	$130,986.00		$0.00	114.9	$1,140	$130,986.00
	12.8	$1,088	$13,926.40		$0.00	12.8	$1,088	$13,926.40
	64.2	$1,172	$75,242.40		$0.00	64.2	$1,172	$75,242.40
	234.6	$1,558	$365,506.80		$0.00	234.6	$1,558	$365,506.80
	79.2	$1,655	$131,076.00		$0.00	79.2	$1,655	$131,076.00
	83.6	$1,419	$118,628.40		$0.00	83.6	$1,419	$118,628.40
	107.8	$1,149	$123,862.20		$0.00	107.8	$1,149	$123,862.20
	24.1	$1,235	$29,763.50		$0.00	24.1	$1,235	$29,763.50
	48.9	$1,353	$66,161.70		$0.00	48.9	$1,353	$66,161.70
	35.5	$1,268	$45,014.00		$0.00	35.5	$1,268	$45,014.00
	47.9	$1,240	$59,396.00		$0.00	47.9	$1,240	$59,396.00
	59.8	$1,178	$70,444.40		$0.00	59.8	$1,178	$70,444.40
	178.6	$1,208	$215,748.80		$0.00	178.6	$1,208	$215,748.80
	577.5	$1,224	$706,860.00		$0.00	577.5	$1,224	$706,860.00
	28.0	$1,594	$44,632.00		$0.00	28.0	$1,594	$44,632.00
Total Lake Ramona	2,851.9		$3,406,252.70	(27.70)	($27,365.60)	2,824.2		$3,378,887.10

RESERVOIRS

RESERVOIRS - UNTREATED									
	5.5	$1,309	$7,160.23	(1.6)	($2,146.76)		3.8	$1,309	$5,013.47
	0.2	$1,134	$226.80		$0.00		0.2	$1,134	$226.80
	1.9	$1,088	$2,067.20		$0.00		1.9	$1,088	$2,067.20
	0.2	$1,123	$224.60		$0.00		0.2	$1,123	$224.60
	1.0	$1,172	$1,172.00		$0.00		1.0	$1,172	$1,172.00
	2.5	$1,459	$3,647.50		$0.00		2.5	$1,459	$3,647.50
	0.3	$1,282	$384.60		$0.00		0.3	$1,282	$384.60
	0.7	$1,278	$894.60		$0.00		0.7	$1,278	$894.60
	1.4	$1,211	$1,695.40		$0.00		1.4	$1,211	$1,695.40
	3.5	$1,248	$4,368.00		$0.00		3.5	$1,248	$4,368.00
	2.8	$1,248	$3,494.40		$0.00		2.8	$1,248	$3,494.40
	0.4	$1,353	$541.20		$0.00		0.4	$1,353	$541.20
	1.2	$1,513	$1,815.60		$0.00		1.2	$1,513	$1,815.60
	1.3	$1,245	$1,581.15		$0.00		1.3	$1,245	$1,581.15
	1.9	$1,178	$2,273.54		$0.00		1.9	$1,178	$2,273.54
	2.2	$1,208	$2,633.44		$0.00		2.2	$1,208	$2,633.44
	2.3	$1,354	$3,060.04		$0.00		2.3	$1,354	$3,060.04
	2.8	$1,594	$4,511.02		$0.00		2.8	$1,594	$4,511.02
	32.0		$41,751.32	(1.6)	($2,146.76)		30.4		$39,604.56
RESERVOIRS - TREATED									
	4.0	$1,328	$5,285.44	(4.0)	($5,285.44)		0.0	$1,328	$0.00
	0.5	$1,329	$664.50	(0.5)	($664.50)		0.0	$1,329	$0.00
	1.0	$1,366	$1,366.00	(0.9)	($1,256.72)		0.1	$1,366	$109.28
	0.2	$1,391	$278.20		$0.00		0.2	$1,391	$278.20
	1.2	$1,549	$1,858.80		$0.00		1.2	$1,549	$1,858.80
	7.0	$1,589	$11,138.89		$0.00		7.0	$1,589	$11,138.89
	2.0	$1,420	$2,840.00		$0.00		2.0	$1,420	$2,840.00
	0.8	$1,414	$1,131.20		$0.00		0.8	$1,414	$1,131.20
	0.7	$1,368	$957.60		$0.00		0.7	$1,368	$957.60
	4.7	$1,403	$6,594.10		$0.00		4.7	$1,403	$6,594.10
	0.5	$1,452	$726.00		$0.00		0.5	$1,452	$726.00
	1.2	$1,739	$2,086.80		$0.00		1.2	$1,739	$2,086.80
	2.0	$1,643	$3,286.00		$0.00		2.0	$1,643	$3,286.00
	2.6	$1,576	$4,097.60		$0.00		2.6	$1,576	$4,097.60
	1.9	$1,538	$2,922.20		$0.00		1.9	$1,538	$2,922.20
	2.2	$1,505	$3,311.00		$0.00		2.2	$1,505	$3,311.00
	0.6	$1,522	$913.20		$0.00		0.6	$1,522	$913.20
	2.1	$1,568	$3,292.80		$0.00		2.1	$1,568	$3,292.80
	1.3	$1,540	$2,002.00		$0.00		1.3	$1,540	$2,002.00
	1.2	$1,544	$1,775.60		$0.00		1.2	$1,544	$1,775.60
	3.6	$1,500	$5,400.00		$0.00		3.6	$1,500	$5,400.00
	0.1	$1,538	$153.80		$0.00		0.1	$1,538	$153.80
	5.0	$1,713	$8,530.74		$0.00		5.0	$1,713	$8,530.74
	46.3		$70,612.47	(5.4)	($7,206.66)		40.9		$63,405.81
Sub Total Reservoirs	**78.4**		**$112,363.79**	**(7.0)**	**($9,353.42)**		**71.3**		**$103,010.37**
Grand Total Water Inventory	**2,930.3**		**$3,518,616.5**	**(34.7)**	**($36,719.0)**		**2,895.5**		**$3,481,897.5**



RAMONA MUNICIPAL WATER DISTRICT
WATER BILLING AND PURCHASES 2018-2019
WATER BILLINGS

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
2016-17													
Untreated - Acre Feet	160.2	141.5	143.3	129.4	149.7	91.5	32.3	2.2	2.7	123.0	75.7	140.0	1,191.5
Treated - Acre Feet	365.3	339.8	394.6	352.1	371.5	294.6	224.5	177.2	135.5	256.0	320.3	320.1	3,551.5
Total	**462.2**	**435.5**	**449.4**	**405.7**	**448.7**	**346.5**	**287.4**	**227.4**	**271.9**	**339.4**	**325.0**	**375.4**	**4,374.5**
2017-18													
Untreated - Acre Feet	135.1	129.0	145.3	155.8	115.4	114.3	60.8	90.6	37.9	86.1	108.5	143.0	1,321.8
Treated - Acre Feet	377.4	340.5	380.4	352.8	392.9	322.1	305.7	242.1	219.8	246.7	274.5	338.1	3,793.0
Total	**512.5**	**469.5**	**525.7**	**508.6**	**508.3**	**436.4**	**366.5**	**332.7**	**257.7**	**332.8**	**383.0**	**481.1**	**5,114.8**
2018-19													
Untreated - Acre Feet	145.3	184.9	121.0	101.0	100.4	24.5	25.2	4.0	6.8	66.0	49.1		828.2
Treated - Acre Feet	389.0	355.5	415.7	357.9	366.5	277.4	251.6	199.1	164.3	191.9	225.4		3,194.3
Total	**534.3**	**540.4**	**536.7**	**458.9**	**466.9**	**301.9**	**276.8**	**203.1**	**171.1**	**257.9**	**274.5**		**4,022.5**
SUPPLY CHARGES													
Water Treated - Acre Feet	466.4	459.2	433.0	357.3	328.1	231.4	216.2	176.2	204.2	283.0	246.4		3,401.4
Water Treated - $ Amount	$556,882	$548,285	$517,002	$426,616	$391,751	$276,292	$ 256,197	$ 208,797	$ 241,977	$ 335,355	$ 291,984		$4,051,138
Water Untreated - CWA - Acre Feet	189.8	283.9	115.2	271.9	35.4		22.3	417.1					1,335.6
Water Untreated - CWA - $ Amount	$169,681	$253,807	$102,989	$243,079	$31,648		$ 20,271	$ 379,144	$ -				$1,200,617
Transportation Charge - Meter Delivery - CWA - $ Amount	$75,463	$85,457	$63,043	$72,358	$41,803	$26,611	$ 28,620	$ 71,196	$ 24,504	$33,960	$29,568		$552,582
WATER EXCHANGES													
Water Exchanges (to) from Other Agencies - Acre Feet													
Water Exchanges (to) from Other Agencies - $ Amount													
Transportation Charges - Exchanges - $ Amount													
FIXED CHARGES (CREDITS)													
MWD Capacity Reservation Charge - $ Amount	$10,918	$10,918	$10,918	$10,918	$10,918	$10,918	$8,306	$8,306	$8,306	$8,306	$8,306		$107,035
MWD Readiness to Serve Credit - $ Amount	($4,721)	($4,721)	($4,721)	($4,721)	($4,721)	($4,721)	($4,721)	($4,721)	($4,721)	($4,721)	($4,721)		($51,932)
CWA Customer Service Charge - $ Amount	$27,924	$27,924	$27,924	$27,924	$27,924	$27,924	$25,416	$25,416	$25,416	$25,416	$25,416		$294,623
CWA Emergency Storage Charge - $ Amount	$59,475	$59,475	$59,475	$59,475	$59,475	$59,475	$54,301	$54,301	$54,301	$54,301	$54,301		$628,351
CWA Supply Reliability Charge	$27,082	$27,082	$27,082	$27,082	$27,082	$27,082	$27,383	$27,383	$27,383	$27,383	$27,383		$299,409
CWA Infrastructure Access Charge	$30,837	$30,837	$30,837	$30,837	$30,837	$30,837	$30,762	$30,762	$30,762	$30,762	$30,762		$338,832
Other Charges and (Credits) Adjustments								$68,460	($517)				$67,943
SAWR Water Programs & LLP - Acre Feet	(120.2)	(184.3)	(114.0)	(84.5)	(99.6)	(16.1)	(9.4)	(2.6)	(4.1)	(98.7)	(64.1)		(797.6)
SAWR Water Programs & LLP Adjustment - $ Amount							$ 3,666						$3,666
SAWR Water Programs & LLP - $ Amount	(28,047.0)	($35,447)	($21,525)	($16,042)	($19,606)	($3,204)	($1,793)	($517)	($268)	($17,996)	($12,170)		($156,614)
Total- Acre Feet	**656.2**	**743.1**	**548.2**	**629.2**	**363.5**	**231.4**	**238.5**	**593.3**	**204.2**	**283.0**	**246.4**		**4737.0**
Total- $ Amount	**$925,493**	**$1,003,615**	**$813,023**	**$877,526**	**$597,110**	**$451,213**	**$ 448,407**	**$ 868,526**	**$ 407,142**	**$492,765**	**$450,829**		**$7,335,649**
Lake Ramona Inventory-Acre Feet	**(26.5)**	**58.2**	**(32.3)**	**180.7**	**(74.7)**	**(40.6)**	**(3.2)**	**575.2**	**30.2**	**(72.8)**	**(34.7)**		**559.5**
$ Amount	**(22,590.3)**	**$68,323**	**($30,250)**	**$218,260**	**($67,262)**	**($35,466)**	**($4,110)**	**$703,909**	**$48,240**	**($67,071)**	**($36,719)**		**$775,263**

Ramona Municipal Water District
Capital Projects
May 31, 2019

FUND 43	Water Capital Improvement Projects	FY 2018-19 Budget	FY 2018-19 Month	FY 2018-19 YTD	FY 2018-19 Available
51250	Pump control cla-val maintenance	$15,000	$0	$15,006	($6)
51255	Underground service system/GIS	$20,000	$0	$10,304	$9,696
51256	Ultrasonic meter	$15,000	$5,062	$5,062	$9,938
51261	Pressure Reducing Valve (PRV)	$125,000	$0	$7,426	$117,574
51262	Mt. Woodson "18 Bypass	$225,000	$31,088	$93,588	$131,412
51259	18" Poway Pipeline Erosion Project	$170,000	$3,259	$116,678	$53,322
51260	Tank Rehab	$750,000	$150,218	$295,154	$454,846
51258	Ramona Dam Slide Gate Control Panel	$100,000	$0	$17,889	$82,111
		$1,420,000	$189,628	$561,108	$858,892

FUND 10	Water Capital Replacement - Energy Fund	FY 2018-19 Budget	FY 2018-19 Month	FY 2018-19 YTD	FY 2018-19 Available
57018	Pump and motor replacement program	$200,000	$63,197	$77,241	$122,759
		$200,000	$63,197	$77,241	$122,759

FUND 26	General Fund Capital Purchases	FY 2018-19 Budget	FY 2018-19 Month	FY 2018-19 YTD	FY 2018-19 Available
56016	IT assessment project & equipment	$70,000	$0	$42,366	$27,634
56017	Conversion projects for system software	$150,000	$216	$657	$149,343
56020	Facilities - parking lot, building reno	$65,000	$0	$11,044	$53,956
56022	Data Infrastructure/network upgrades	$20,000	$0	$0	$20,000
		$305,000	$216	$54,067	$250,933

FUND 12	Fire Fund Capital Purchases	FY 2018-19 Budget	FY 2018-19 Month	FY 2018-19 YTD	FY 2018-19 Available
52016	Ambulance payments	$72,000	$0	$70,748	$1,252
52018	New engine gear	$80,000	$0	$125,291	($45,291)
52021	New engine payments	$65,813	($32,906)	$65,813	$0
52024	EMS Coordinator Vehicle	$43,000	$7,315	$43,857	($857)
52022	Battalion Chief Command Vehicle Replacement	$90,000	$0	$88,014	$1,986
52023	Auto Pulse for Each Unit	$71,100	$30,644	$76,610	($5,510)
52025	New Roof - Station 80	$45,000	$0	$0	$45,000
		$466,913	$5,053	$470,334	($3,421)

FUND 11	Water Capital Replacements Projects	FY 2018-19 Budget	FY 2018-19 Month	FY 2018-19 YTD	FY 2018-19 Available
51245	Poway Forebay tank repair	$75,000	$0	$81,446	($6,446)
51932	Valve replacements	$200,000	$0	$39,330	$160,670
51942	Water meter replacement	$250,000	$0	$195,006	$54,994
51940A	Infrastructure replacement program	$400,000	$34,352	$323,415	$76,585
	HV 1800-1700 Zone Connection	$100,000	$0	$0	$100,000
51949	Tank & Reservoir Rehab Program	$0	$0	$30,842	($30,842)
51954	Master Plan, Water	$80,000	$0	$0	$80,000
51953	Poway Pump Station low flow Natural Gas Engines	$100,000	$0	$92,436	$7,564
51951	(2) 500kW Portable Generators (untreated backup)	$350,000	$0	$0	$350,000
51952	Meter Vehicle Replacement	$35,000	$1,342	$32,189	$2,811
		$1,590,000	$35,695	$794,665	$795,335

FUND 22	San Vicente Capital Replacements Projects	FY 2018-19 Budget	FY 2018-19 Month	FY 2018-19 YTD	FY 2018-19 Available
54196	Salt and Nutrient Management Plan	$5,000	$0	$0	$5,000
54197	Telemetry - Plant and Collection	$17,000	$0	$10,936	$6,064
54198	UF & RO membranes	$80,000	$0	$0	$80,000
54199	Reverse osmosis/brine reduction project	$25,000	$0	$0	$25,000
54205	Filter media	$25,000	$3,417	$4,278	$20,722
54206	Asphalt	$5,000	$0	$4,500	$500
54208	Root control	$15,000	$0	$18,730	($3,730)
54209	SCADA system	$20,000	$0	$1,293	$18,707
54202	Collection system infrastructure	$950,000	$0	$66,517	$883,483
	Manhole rehab	$50,000	$0	$0	$50,000
	Painting Clarifiers 3 and 4	$20,000	$0	$0	$20,000
54210	Oxidation Basin #2 Electrical	$75,000	$0	$10,570	$64,430
54212	Solids Handling Study	$90,000	$0	$4,340	$85,660
	Lift Station Rehab (Electric Control Center "MCC")	$50,000	$0	$0	$50,000
		$1,427,000	$3,417	$121,165	$1,305,835

FUND 24	Fire Mitigation Capital Replacements Projects	FY 2018-19 Budget	FY 2018-19 Month	FY 2018-19 YTD	FY 2018-19 Available
52021	New engine payments	$32,906	$32,906	$32,906	$0
		$32,906	$32,906	$32,906	$0

FUND 25	Santa Maria Capital Replacements Projects	FY 2018-19 Budget	FY 2018-19 Month	FY 2018-19 YTD	FY 2018-19 Available
55244	SM Collection system infrastructure	$500,000	$0	$0	$500,000
55247	Telemetry	$15,000	$0	$25,936	($10,936)
55249	Pump station grinders	$20,000	$0	$0	$20,000
55252	Sprayfield fence replacement	$20,000	$0	$2,160	$17,840
55253	Asphalt repair	$10,000	$0	$14,480	($4,480)
55254	Salt and nutrient management	$25,000	$0	$3,644	$21,356
55255	Sprayfield maintenance	$20,000	$7,186	$9,408	$10,592
55256	Effluent transmission pipe	$3,500,000	$0	$434,768	$3,065,232
55262	Clarifier 3 rehab	$450,000	$1,156	$395,330	$54,670
55264	Influent pump station/Screening and Grit Removal	$400,000	$435	$36,410	$363,590
55268	Vehicle replacement	$110,000	$0	$86,934	$23,066
	Manhole rehab	$75,000	$0	$0	$75,000
	Collection System Inflow & Infiltration	$200,000	$0	$0	$200,000
		$5,345,000	$8,777	$1,009,071	$4,335,929

	Total of all Projects	$10,786,819	$338,888	$3,120,556	$7,666,263

Trend Reports

Trend reports are presented for use in monitoring longer range activity than the monthly reports. These reports may include history or projections which are provided to assist in determining general directions or patterns of District financial activity. Accuracy of any projected information will decline as the length into the future the projection is being made increases.

The Trend Reports are:

Cash Balance - Information from the Cash Balance report is taken from the monthly Cash Report. The Trend report accumulates the two prior complete years' information along with the current year. Cash in the District belongs to three types of activities. Operating cash is used for the operations of the District and is primarily funded through user charges for water, sanitation, and fire services. Debt Service cash is primarily derived from property tax assessments and is used to pay predetermined debt payments. Capital cash consists of cash which is provided to the District to fund construction related costs. This cash may come from new development, or from revenue sources which the Board has taken action to direct toward construction related costs.

The Operating portion of the cash balance has been isolated for presentation in graphic format. This presentation depicts the cyclical trend of operating cash on hand throughout a fiscal year.

Operating Revenue/Expenditures - Information from the Operating Revenue/Expenditure report is taken from the monthly Operating Report. The Trend report displays a complete year of operating revenues and expenditures by month as they occur.

Tax Allocation Worksheet Trend - The District uses the County Tax Rolls to collect approximately half of all the revenue which comes to the District in a year. Collections include general tax collections, property owner approved debt assessments, and user charges for sanitation and fire/paramedic services. Distribution is made by the County in 13 installments through a year. Distributions are reflective of collection made on property tax payments. Since most property taxes are paid around the December and April 10 deadlines, the greatest distributions to the District correspond to those payments. The last payment from the County is used to reconcile any late collections or any corrections.

Capital Improvement Projects - The District plans and executes a number of capital improvement projects. By nature these projects require lead and construction times which exceed the annual fiscal year of the District. In some cases, the projects require long term funding.

Salaries and Wages - Salaries and the Benefits which accompany those salaries make up a significant portion of the operating budget. These costs are affected by overtime, vacancies, temporary help, Memorandum of Understanding terms, and charging of time to outside funded activities.

Ramona Municipal Water District
Tax Allocation Worksheet Trend
Fiscal Year 2018-2019

Description	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total
1% Property Tax	$ 91,612.08	$ 26,971.77	$ 338,217.52	$ -	$ 2,047,284.01	$ 1,072,820.07	$ 162,489.47	$ -	$ 2,452,134.34	$ 56,600.45		$ 6,248,129.71
Park Improv Dist.	$ 2,168.74	$ 638.52	$ 8,007.19	$ -	$ 48,412.50	$ 25,455.84	$ 3,841.65	$ -	$ 58,077.24	$ 1,342.24		$ 147,943.92
SV Cap Replacement	$ -	$ -	$ 1,092.10	$ -	$ 10,545.00	$ 8,222.66	$ 682.37	$ -	$ 16,462.68	$ 97.55		$ 37,102.36
San Vicente EDU & Availability	$ -	$ -	$ 102,493.22	$ -	$ 779,395.02	$ 603,046.94	$ 46,423.64	$ -	$ 1,208,008.16	$ 8,081.62		$ 2,747,448.60
Santa Maria EDU	$ -	$ -	$ 84,540.35	$ -	$ 596,742.31	$ 1,190,753.24	$ 53,398.36	$ -	$ 1,262,425.36	$ 72,609.87		$ 3,260,469.49
Fire - Paramedic	$ -	$ -	$ 102,518.56	$ -	$ 638,538.16	$ 699,152.08	$ 56,918.92	$ -	$ 1,074,731.47	$ 13,325.50		$ 2,585,184.69
AD 99-1	$ -	$ 868.67	$ -	$ -	$ 420.49	$ 482.60	$ 50.29	$ -	$ 292.87	$ 0.18		$ 2,115.10
Delinquent Water Charge	$ -	$ -	$ -	$ -	$ 856.65	$ 3,812.08	$ 4.26	$ -	$ 3,524.90	$ 563.80		$ 8,761.69
Total	$ 93,780.82	$ 28,478.96	$ 636,868.94	$ -	$ 4,122,194.14	$ 3,603,745.51	$ 323,808.96	$ -	$ 6,075,657.02	$ 152,621.21	$ -	$ 15,037,155.56

OPERATING REVENUE/EXPENDITURE TREND 2018-2019

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
General													
Revenue	17,893	20,664	31,468	29,232	18,069	102,259	54,206	23,853	33,404	102,623	20,309		453,981
Transfer	246,965	225,180	303,921	286,231	328,208	181,209	321,412	287,523	247,219	230,754	355,212		3,013,834
Total	264,858	245,844	335,389	315,463	346,277	283,468	375,618	311,376	280,623	333,377	375,521	0	3,467,815
Expenditures	(218,228)	(235,749)	(321,952)	(299,364)	(341,438)	(215,636)	(311,362)	(294,094)	(284,359)	(261,023)	(356,164)		(3,139,368)
Net Result	46,631	10,095	13,437	16,098	4,839	67,833	64,255	17,283	(3,736)	72,355	19,357	0	328,447
Water													
Revenue	1,617,293	1,859,776	1,710,421	1,742,615	1,517,273	1,622,825	1,107,614	968,709	931,715	1,242,303	1,099,183		15,419,727
Expenditure	(1,373,549)	(1,457,953)	(1,351,740)	(1,215,858)	(1,223,161)	(893,602)	(965,536)	(674,825)	(882,656)	(1,114,488)	(1,057,631)		(12,211,000)
Transfers	(2,387,965)	(142,358)	(192,139)	(180,957)	(207,496)	(135,590)	(182,171)	(181,775)	(156,293)	(145,884)	(224,566)		(4,137,194)
Net Result	(2,144,221)	259,465	166,542	345,800	86,616	593,633	(40,093)	112,109	(107,234)	(18,070)	(183,015)	0	(928,467)
Fire													
Revenue	504,699	511,615	433,042	420,078	467,594	499,633	511,208	450,410	559,259	519,777	505,481		5,382,796
Expenditure	(573,865)	(606,570)	(539,486)	(547,016)	(607,363)	(549,093)	(529,937)	(556,444)	(633,208)	(577,613)	(551,748)		(6,272,344)
Transfers	0	0	0	0	0	0	0	0	0	0	0		0
Net Result	(69,166)	(94,956)	(106,445)	(126,938)	(139,769)	(49,460)	(18,729)	(106,034)	(73,948)	(57,835)	(46,267)	0	(889,548)
Parks													
Revenue	11,667	10,000	11,741	10,833	10,833	11,850	10,833	10,833	11,877	10,833	10,833		122,135
Expenditure	0	0	(32,500)	0	0	(32,500)	0	0	(32,500)	0	0		(97,500)
Transfers	0	0	0	0	0	0	0	0	0	0	0		0
Net Result	11,667	10,000	(20,759)	10,833	10,833	(20,650)	10,833	10,833	(20,623)	10,833	10,833	0	24,635
San Vicente													
Revenue	255,451	265,527	230,864	247,268	268,359	275,780	251,939	249,992	257,275	249,665	271,875		2,823,994
Expenditure	(80,737)	(142,719)	(128,049)	(121,798)	(149,644)	(176,945)	(126,801)	(169,926)	(128,099)	(148,390)	(94,812)		(1,467,919)
Transfers	(540,133)	(41,411)	(55,891)	(52,637)	(60,356)	(39,441)	(52,989)	(52,874)	(45,463)	(42,435)	(65,323)		(1,048,953)
Net Result	(365,419)	81,396	46,924	72,833	58,359	59,394	72,149	27,192	83,713	58,839	111,740	0	307,122
Santa Maria													
Revenue	362,187	307,123	367,308	344,618	342,433	336,508	312,367	303,454	324,758	306,289	419,547		3,726,592
Expenditure	(88,950)	(118,650)	(142,771)	(136,291)	(154,914)	(206,051)	(132,585)	(150,492)	(122,177)	(154,862)	(149,191)		(1,556,932)
Transfers	(3,040,133)	(41,411)	(55,891)	(52,637)	(60,356)	(6,178)	(86,252)	(52,874)	(45,463)	(42,435)	(65,323)		(3,548,953)
Net Result	(2,766,896)	147,062	168,646	155,690	127,163	124,280	93,530	100,088	157,118	108,992	205,033	0	(1,379,293)
Summary													
Revenue	2,769,190	2,974,704	2,784,843	2,794,644	2,624,560	2,848,856	2,248,168	2,007,252	2,118,289	2,431,490	2,327,228	0	27,929,224
Expenditure	(2,335,327)	(2,561,641)	(2,516,497)	(2,320,328)	(2,476,519)	(2,073,827)	(2,066,222)	(1,845,781)	(2,082,999)	(2,256,376)	(2,209,546)	0	(24,745,063)
Transfers	(5,721,266)	0	0	0	0	0	0	0	0	(0)	0	0	(5,721,266)
Net Result	(5,287,404)	413,063	268,346	474,316	148,042	775,029	181,946	161,471	35,290	175,114	117,682	0	(2,537,104)

RAMONA MUNICIPAL WATER DISTRICT
SALARIES AND WAGES TREND
As of May 31, 2019 (24 payperiods of 26)

		Annual Budget	YTD Budget	YTD Expense	Under (Over)	% Under % -Over
General Fund						
General Manager Department						
	Salaries and Wages	257,294	237,502	240,614	(3,112)	-1.31%
	Benefits	149,384	137,893	138,440	(547)	-0.40%
	Total Department	406,678	375,395	379,054	(3,659)	-0.97%
Engineering Department						
	Salaries and Wages	74,786	69,033	73,887	(4,854)	-7.03%
	Benefits	47,814	44,136	46,678	(2,542)	-5.76%
	Total Department	122,600	113,169	120,565	(7,396)	-6.54%
Finance Department						
	Salaries and Wages	1,257,199	1,160,492	1,092,421	68,071	5.87%
	Benefits	777,884	718,046	626,023	92,023	12.82%
	Total Department	2,035,083	1,878,538	1,718,444	160,094	8.52%
Water Fund						
	Salaries and Wages	1,900,496	1,754,303	1,698,792	55,511	3.16%
	Benefits	1,103,249	1,018,384	965,370	53,014	5.21%
	Total Department	3,003,745	2,772,687	2,664,162	108,525	3.91%
Fire Fund						
	Salaries and Wages	0	0	0	0	0.00%
	Benefits	3,400	3,138	304	2,834	90.32%
	Total Division	3,400	3,138	304	2,834	90.32%
San Vicente Sanitation						
	Salaries and Wages	521,627	481,502	425,862	55,640	11.56%
	Benefits	322,826	297,994	298,518	(524)	-0.18%
	Total Department	844,453	779,496	724,379	55,117	7.07%
Santa Maria Sanitation						
	Salaries and Wages	565,747	522,228	545,240	(23,012)	-4.41%
	Benefits	319,923	295,314	320,425	(25,111)	-8.50%
	Total Division	885,670	817,542	865,664	(48,122)	-5.89%
Total District						
	Salaries and Wages	4,577,149	4,225,060	4,076,815	148,245	3.51%
	Benefits	2,724,480	2,514,905	2,395,757	119,148	4.74%
	Total District	7,301,629	6,739,965	6,472,571	267,394	3.97%

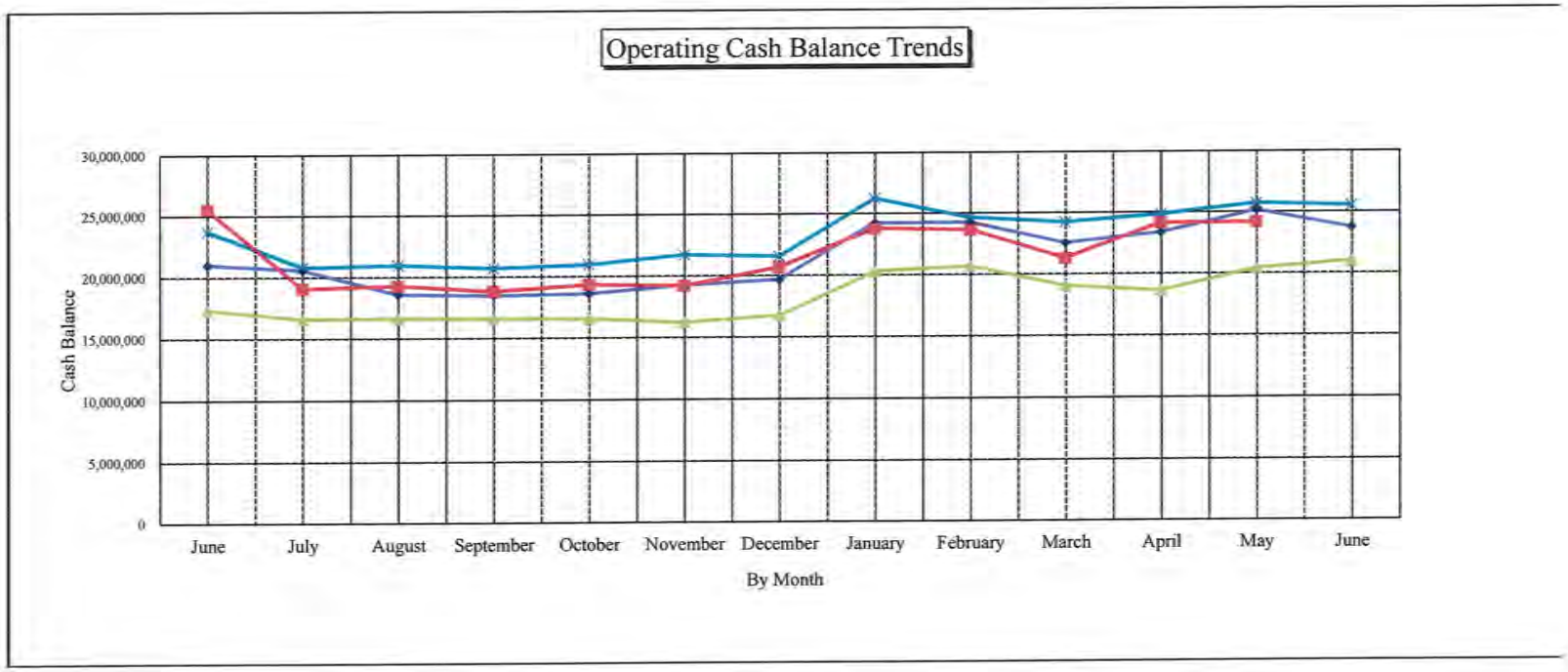
CASH BALANCE TRENDS

2018-19 Fiscal Year	June	July	August	September	October	November	December	January	February	March	April	May	June
Operating 2018-19	25,543,278	19,070,636	19,277,921	18,816,408	19,331,493	19,203,793	20,659,869	23,787,211	23,630,506	21,262,884	24,152,461	24,181,322	
Debt Service	1,774,963	1,747,437	1,381,041	803,424	807,844	807,844	842,870	861,487	864,284	810,266	852,008	852,965	
Capital	17,780,407	22,702,214	22,627,105	22,267,566	22,034,042	21,922,030	22,863,227	23,139,354	22,962,167	22,752,938	23,687,239	23,481,818	
Total	45,098,648	43,520,287	43,286,067	41,887,398	42,173,379	41,933,667	44,365,966	47,788,052	47,456,957	44,826,088	48,691,707	48,516,105	0

2017-18 Fiscal Year	June	July	August	September	October	November	December	January	February	March	April	May	June
Operating 2017-18	23,744,314	20,789,007	20,943,682	20,676,785	20,947,105	21,707,134	21,540,649	26,242,906	24,647,488	24,238,542	24,866,357	25,730,362	25,543,278
Debt Service	2,122,231	2,122,050	1,898,376	1,579,780	1,582,275	1,604,602	1,663,130	1,808,094	1,689,987	1,623,293	1,661,102	1,768,560	1,774,963
Capital	16,342,811	18,794,243	18,365,518	18,094,515	17,954,854	17,645,442	18,319,064	18,151,164	17,982,330	17,636,009	18,105,507	17,138,787	17,780,407
Total	42,209,356	41,705,300	41,207,576	40,351,080	40,484,234	40,957,178	41,522,843	46,202,164	44,319,805	43,497,844	44,632,965	44,637,709	45,098,649

2016-17 Fiscal Year	June	July	August	September	October	November	December	January	February	March	April	May	June
Operating 2016-17	20,986,914	20,580,661	18,593,224	18,482,589	18,615,831	19,276,495	19,681,537	24,221,272	24,251,848	22,509,022	23,356,991	25,181,112	23,744,314
Debt Service	1,893,987	1,893,618	1,897,506	1,370,434	1,376,713	1,397,737	1,611,957	1,811,926	1,697,945	1,635,740	1,828,483	1,971,247	2,122,231
Capital	14,898,374	14,924,064	17,319,851	17,058,693	17,060,134	17,154,521	15,077,040	15,228,626	15,315,479	15,469,752	16,447,940	16,767,049	16,342,811
Total	37,779,275	37,398,343	37,810,581	36,911,716	37,052,678	37,828,753	36,370,534	41,261,824	41,265,272	39,614,514	41,633,413	43,919,408	42,209,356

2015-16 Fiscal Year	June	July	August	September	October	November	December	January	February	March	April	May	June
Operating 2015-16	17,357,720	16,597,635	16,629,705	16,582,370	16,555,616	16,237,102	16,760,279	20,291,456	20,654,840	19,045,949	18,658,577	20,395,969	20,986,914
Debt Service	1,729,011	1,728,575	1,734,805	1,200,427	1,206,503	1,227,549	1,436,798	1,625,256	1,638,201	1,442,441	1,593,045	1,747,625	1,893,987
Capital	16,236,477	16,368,653	16,395,651	14,468,675	14,362,477	14,107,568	14,167,905	16,205,194	16,411,892	15,764,022	15,973,321	15,801,803	14,898,374
Total	35,323,207	34,694,863	34,760,161	32,251,472	32,124,596	31,572,219	32,364,983	38,121,906	38,704,933	36,252,412	36,224,943	37,945,397	37,779,275



RAMONA MUNICIPAL WATER DISTRICT
AGENDA MEMO

Agenda Item No. C.1.a.
Regular Board Meeting of July 9, 2019

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: DISCUSSION AND POSSIBLE ACTION TO ADOPT AN ORDINANCE MODIFYING THE DISTRICT'S WATER RATES AND FEES

Members of the Board:

Purpose
Hold a public hearing to consider input from the public under Agenda Item C.1. and adopt an Ordinance modifying the District's water rates and fees.

Background
Proposition 218 “The Right to Vote on Taxes Act” requires local government agencies to hold a public hearing to consider protests against proposed increases in those water rates and fees which are affected by Proposition 218. The Board approved the Proposition 218 notice for water rates at its May 2019 meeting. The notice for this public hearing with the proposed increases to water rates and fees was sent to the affected property owners and customers 45 days prior to this public hearing as required by law.

Discussion
In addition to setting public hearing requirements, Proposition 218 requires:

- Revenues derived from the proposed fee shall not exceed the funds required to provide the property related service.
- Revenues from the fee shall not be used for any other purpose than for what the fee is charged.
- The amount of the fee imposed upon any parcel shall not exceed the proportional cost to provide the service to the parcel.
- Fees are only charged for service that is actually used by or immediately available to the property owner paying the fee.
- The fee is not levied for general governmental purposes.

In 2017 the District contracted with an independent consulting firm, Raftelis Financial Consultants (RFC), to review the District's water rate and fee structure. This review included operations costs, maintenance requirements, and infrastructure needs of the District's water systems and analyzed appropriate and proportional water rates and fees. RFC reviewed and updated its analysis in 2019 and issued a 2019 updated rate study and analysis report (RFC Report), including consideration of projected operations, maintenance, and infrastructure costs for the coming year. The RFC Report concludes that the District should increase its rates and fees for the coming fiscal years for the District to continue to provide water service to its customers.

District staff has reviewed the past and present District engineering department's analysis of industry and District data, as well as methodology and projections used by Raftelis in the RFC Report. Staff agrees with the recommendations in the RFC Report.

The rates and fees proposed to be effective August 1, 2019 for Year 1 were included in the Notice which was mailed to District customers, along with for Years 2-5. As calculated from the RFC analysis, these water rates and fees 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 fees are used by the District only to provide ongoing water service to District customers, in proportion to the costs necessary to provide water service to each customer. The District has not adopted updated water rates and fees since they were last adjusted at its August 11, 2015 Board meeting.

There are benefits associated with the Board adopting a longer-term charge adjustment. These benefits include: reducing consultant expense frequency for charge review and adjustment recommendations (estimated at $50-$100K per review – potential annual savings); setting a "cap" on the not-to-exceed approved increases over a predefined timeline when subsequent rate reviews may indicate a higher adjustment is necessary; and retaining administrative authority to review rate adjustments during the approved adjustment timeline with options to adopt a lesser increase than approved through the Proposition 218 hearing process.

The attached Ordinance specifies the rates and fees which are proposed to be effective August 1, 2019 and thereafter.

In compliance with the San Diego County Water Authority (SDCWA) Ordinance 2011-05 passed in December 2011, participating agricultural customers in the Special Agricultural Water Rate (SAWR) program must comply with the service limitations described in Ordinance 2011-05.

Pursuant to state law, future increases in the cost of water purchased from the San Diego County Water Authority (SDCWA) and other charges from SDCWA or San Diego Gas & Electric may be passed through to customers. The pass-through would authorize increasing the dollar amount of the water rates and monthly system charges for retail water service equal to the dollar amount of the increase in the suppliers' rates 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. The attached Ordinance includes the pass-through authorization.

The Board can consider approving the adjustments to the water rates and fees provided that the District has not received valid written protests to the proposed rates from a majority of the owners of the parcels or customers of the identified parcels. As stated in the Notice that was sent in advance of the public hearing, valid written protests must: (1) state that the identified property owner or tenant is opposed to the proposed water rate and/or fee 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. Only one protest will be counted per identified parcel. Written protests may be submitted by mail or in person. Protests submitted via e-mail or other electronic means will not be accepted.

At the Board meeting, the Board members will be notified of the current number of protests which have been received. Unfortunately, some of the letters which have been received cannot be counted as valid protests because they are deficient in one or more of the requirements (for example, lack of address, lack of signature, or multiple letters for the same account).
Any valid written protests submitted prior to or at the July 9, 2019 Board meeting will be appropriately considered. The Board will be notified if the number of valid written protests meets the majority standard.

Current and Proposed Rates and Fees

The rates and fees are proposed to be effective August 1, 2019 for Year 1 adjustments, and each July 1 thereafter from 2020-2023. Detailed calculations and methodologies for updating each rate and fee type are included in the attached and referenced RFC Report. Proposed rates and fees in the below matrices are consistent with the RFC Report. These documents include the current rates fees for each service type, and the proposed adjustment as well.

Monthly System Charges

Meter Size	Current Monthly System Charge	Effective August 1, 2019 (Year 1)	Effective July 1, 2020 (Year2)*	Effective July 1, 2021 (Year 3)*	Effective July 1, 2022 (Year 4)*	Effective July 1, 2023 (Year 5)*
3/4" or smaller	$32.33	$36.12	$38.65	$41.36	$44.26	$47.36
1"	$52.13	$55.73	$59.63	$63.81	$68.28	$73.06
1 ½"	$101.97	$104.14	$111.43	$119.24	$127.59	$136.53
2"	$161.77	$165.36	$176.94	$189.33	$202.59	$216.78

3”	$301.16	$343.81	$367.88	$393.64	$421.20	$450.69
4”	$500.27	$608.67	$651.29	$696.89	$745.68	$797.88

Water rates per unit (one hundred cubic feet, or 748 gallons):

Rate	Current Per-unit Rate	Effective August 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 treated rate	$5.69	$6.02	$6.45	$6.91	$7.40	$7.92
General treated - AG	$0.00	$6.43	$6.89	$7.38	$7.90	$8.46
General untreated rate	$4.88	$5.46	$5.85	$6.26	$6.70	$7.17
SAWR treated rate	$4.70	$5.46	$5.85	$6.26	$6.70	$7.17
SAWR untreated rate	$3.89	$4.96	$5.31	$5.69	$6.09	$6.52
Energy/pumping rate	$1.02	$0.99	$1.06	$1.14	$1.22	$1.31
Construction	$6.40	$8.55	$9.15	$9.80	$10.49	$11.23

*Proposed water rates for Years 2-5 do not include future potential pass-through increases from the SDCWA or SDG&E which may be authorized via the pass-through ordinance described in more detail herein. If the Board approves the pass-through ordinance, those 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.

Fiscal Impact

As indicated in the Notices, the proposed increases would fund the costs of providing water services to the RMWD service area. Subsequent proposed budgets will include revenue adjustments to account for any rate adjustments if approved by the Board at this noticed hearing. If the Board approved, updated water rates would be effective beginning August 1, 2019, with subsequent Year 2-5 increases effective annually on July 1 from 2020-2023. The water system is a standalone system and must obtain funding sufficient for the proper operation of the water system.

Recommendation

Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.1., the Board approve the rate and fee changes to be effective August 1, 2019 for Year 1, and subsequent Year 2-5 increases effective annually on July 1 from 2020-2023, by adopting the attached Ordinance.

Prepared by: Craig Schmollinger, Chief Financial Officer

Submitted by: David Barnum, General Manager

ATTACHMENTS:

Attachment 1	Proposed Ordinance – Exhibit A	C.1.a. Page 6-9
Attachment 2	Report from RFC on 2019 Water Rate Update	C.1.a. Page 10-20
Attachment 3	5 Year Proposition 218 Notice	C.1.a. Page 21-27

ORDINANCE NO. 19-XXX

AN ORDINANCE OF THE BOARD OF DIRECTORS OF RAMONA MUNICIPAL WATER DISTRICT MODIFYING THE DISTRICT'S WATER RATES AND FEES TO BE EFFECTIVE AUGUST 1, 2019

WHEREAS, the Ramona Municipal Water District ("District") is organized and operates pursuant to the California Municipal Water District Law of 1911, commencing with Section 71000 of the California Water Code, and has the authority to establish water related rates in accordance therewith; and

WHEREAS, the District is the water purveyor within its service area; and

WHEREAS, the Board of Directors of the District has been presented with the 2019 report from Raftelis Financial Consultants, reviewing the estimated reasonable costs of providing water services and the revenue sources available to cover the costs of providing such water services which include proposed adjustments to water rates and fees; and

WHEREAS, District staff has reviewed the past and present District engineering department's analysis of industry and District data as well as the methodology and projections used by Raftelis Financial Consultants in the 2019 study, and agrees with the recommendations for the proposed water rates and fees; and

WHEREAS, notice of a public hearing in connection with the proposed modification to water rates and fees was duly given and the public hearing therein set forth was duly held on July 9, 2019.

NOW, THEREFORE, be it ordained by the Board of Directors of Ramona Municipal Water District as follows:

Section 1. The matters set forth in the recitals to this Ordinance are true and correct statements and are incorporated herein as findings.

Section 2. Pursuant to Proposition 218, the Board of Directors on May 14, 2019, authorized and directed staff to give Notice of a Public Hearing, and Notice was mailed to property owners and customers within District boundaries no less than 45 days prior to the Public Hearing, set for July 9, 2019. The Board conducted a public hearing on July 9, 2019, during which the Board heard and considered the comments of all persons appearing at the Hearing and all written comments submitted prior to the close of the Public Hearing. The President of the Board determined that the Board did not receive written protests by a majority of the owners or customers of record of the affected properties served by the District.

Section 3. The Board of Directors finds that the revenue derived from the water rates and fees established by this Ordinance (1) does not exceed the funds required to provide water services, (2) shall not be used for any other

purpose than that for which the charge was imposed, (3) does not exceed the proportional cost of the service attributable to each parcel, (4) provides a service which is immediately available to the parcel, and (5) is not levied for general governmental purposes.

Section 4. The modification of the water rates and fees is not subject to the California Environmental Quality Act.

Section 5. The Board of Directors finds that the water rates and fees as described in Exhibit "A," attached hereto and by this reference incorporated herein, will provide revenue to the Ramona Municipal Water District to be used for the costs of water service.

Section 6. Having evaluated and considered the proposed water rates, the Board of Directors finds that the water rates and fees as found on Exhibit "A," attached hereto and by this reference incorporated herein, are hereby approved and adopted and the General Manager of the Ramona Municipal Water District is hereby authorized and directed to modify any documents to reflect the new rates and effect the collection of the water rates and fees after the effective date of August 1, 2019 for Year 1 adjustments, and thereafter as shown in Exhibit "A."

Section 7. In accordance with Proposition 218 and Government Code Section 53756, the District hereby finds and determines that pass-through costs imposed on the District related to wholesale rates and other charges for water service which the San Diego County Water Authority (SDCWA) imposes on the District (including, but not limited to 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 which San Diego Gas & Electric (SDG&E) imposes on the District for the cost of energy to operate the facilities which the District utilizes to provide water service shall be passed-through to those charged by the District for water services between July 1, 2020 and July 1, 2024. The District finds that such 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. The General Manager, or his designee, is hereby authorized and directed by this Ordinance to increase water rates charged to the District's customers in order to pass-through all such future fees, rates, and charges imposed by SDCWA and SDG&E on the District to provide water services between July 1, 2020 and July 1, 2024. However, the total pass through increases shall not exceed 35% of the rates set forth in Exhibit "A" over a rolling three-year period between July 1, 2020 and July 1, 2024 and no such increase shall exceed the cost of providing the applicable service. The District shall provide notice of any pass-through increase to customers at least 30 days prior to implementing the pass-through increase.

Section 8. In compliance with the San Diego County Water Authority (SDCWA) Ordinance 2011-05 passed in December 2011, participating agricultural customers in the SAWR program must comply with the service limitations described in Ordinance 2011-05.

Section 9. If any provision of this Ordinance or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The Board declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion of this Ordinance.

Section 10. This Ordinance shall become effective upon its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Ramona Municipal Water District held July 9, 2019, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Jim Robinson
President, Board of Directors
Ramona Municipal Water District

ATTEST:

_____

Bryan Wadlington
Secretary, Board of Directors
Ramona Municipal Water District

EXHIBIT "A"

Water rates per unit (one hundred cubic feet, or 748 gallons):

Rate	Current Per-unit Rate	Effective August 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 treated rate	$5.69	$6.02	$6.45	$6.91	$7.40	$7.92
General treated - AG	$0.00	$6.43	$6.89	$7.38	$7.90	$8.46
General untreated rate	$4.88	$5.46	$5.85	$6.26	$6.70	$7.17
SAWR treated rate	$4.70	$5.46	$5.85	$6.26	$6.70	$7.17
SAWR untreated rate	$3.89	$4.96	$5.31	$5.69	$6.09	$6.52
Energy/pumping rate	$1.02	$0.99	$1.06	$1.14	$1.22	$1.31
Construction	$6.40	$8.55	$9.15	$9.80	$10.49	$11.23

Monthly system charges:

Meter Size	Current Monthly System Charge	Effective August 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)*
3/4" or smaller	$32.33	$36.12	$38.65	$41.36	$44.26	$47.36
1"	$52.13	$55.73	$59.63	$63.81	$68.28	$73.06
1 ½"	$101.97	$104.14	$111.43	$119.24	$127.59	$136.53
2"	$161.77	$165.36	$176.94	$189.33	$202.59	$216.78
3"	$301.16	$343.81	$367.88	$393.64	$421.20	$450.69
4"	$500.27	$608.67	$651.29	$696.89	$745.68	$797.88

*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 this ordinance as described in Section 7. Those 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.

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April 29, 2019

David Barnum
General Manager
Ramona Municipal Water District
105 Earlham Street
Ramona, CA 92065-1599

Subject: Water Rate Study Executive Summary

Dear Mr. Barnum:

Raftelis Consultants, Inc. (Raftelis) is pleased to present this Water Rate Study Executive Summary (Summary) to the Ramona Municipal Water District (District). The Water Rate Study (Study) involved a comprehensive review of the District's financial plan and water rates.

We are confident that the resulting rates, based on cost of service principles, meet the requirements of Proposition 218 and are fair and equitable to the District's customers.

In 2017, Ramona Municipal Water District (District) engaged Raftelis Consultants, Inc. (Raftelis) to conduct a comprehensive Water Rate Study (Study), which includes a five-year financial plan, cost of service analysis, and rate derivation for the system. The District subsequently placed a hold on the Study, and re-engaged Raftelis in early 2019. District rates have not been updated since 2015, and pass-through has not been adjusted since 2016. This Summary presents the financial plans and resulting rates for implementation beginning in August 2019.

This Report summarizes the key results, and recommendations for near-term District water rates. The District process establishes fair and equitable rates that:

- Provide necessary revenues to meet the District's operational and capital expenses, as well as reserve requirements to ensure the financial stability of the District,
- Are easy to implement, update in the future, and convey to customers, and
- Proportionally allocate costs of providing service in accordance with Article XIII D of the California Constitution, commonly known as Proposition 218

RESULTS AND RECOMMENDATIONS

Table 1-1 summarizes the Financial Plan recommendations. Although the table shows anticipated revenue adjustments for each year of the Study Period, the District will review and finalize revenue adjustments on an annual basis. Revenue adjustments represent the required increase in rate revenues and do not necessarily directly correlate to the increase in proposed rates. Rate changes for individual customers depend on the cost of service analysis. The revenue adjustments do not include increased costs from San Diego County Water Authority (SDCWA) beyond Calendar Year (CY) 2019. The Study assumes any

increases from SDCWA beyond 2019 will be automatically passed-through to customers and are, therefore, in addition to the proposed adjustments.

Table 1-1: Financial Plan Recommendations

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Revenue Adjustments	7.0%	7.0%	7.0%	7.0%	7.0%
Pass-through of SDCWA costs	Yes[1]	Yes	Yes	Yes	Yes

Factors Affecting Revenue Adjustments

The following factors affect revenue requirements (i.e. costs) and thus the recommended water rates. District expenses include Operation and Maintenance (O&M) expenses, capital expenses, and Pass-Through costs from SDCWA.

- **O&M Expenses:** District O&M expenses increased by approximately 27% since rates were last updated in 2016. The District has not been keeping pace with increased O&M costs through rate increases and have not been passing-through increases in the purchased water costs from SDCWA. Therefore, the proposed water rate adjustments will recover the general O&M expenses incurred. Raftelis recommends that the District automatically pass through future purchased water cost increases, that are outside of the control of the District.
- **Water System Capital Investments:** The District is projecting an average of $3.5 Million annually in routine repair and replacement capital projects across the Study Period (FYE 2020 – FYE 2024).[2] Reinvestment in the water system is a key component in providing safe and reliable water to the District's customers. It is anticipated these investments will be funded through rates and reserves, versus more costly debt issuance proceeds.
- **Reserve Funding:** The proposed revenue adjustments strike a balance between maintaining a healthy financial position and minimizing rate increases to customers through a multi-year, measured approach. The District plans to use reserves early in the Study Period to mitigate increases and anticipates recovering those reserves over the Study Period. Without any revenue adjustments, District water reserves will be fully depleted by FYE 2023. In addition, without revenue adjustments the District will no longer be able to reinvest in its water system or fund capital projects beginning in FYE 2021.
- **Projected Water Sales:** FYE 2018 water sales serves as the baseline usage for the study period. Sales reductions in recent years have impacted District revenues and reserves. Determining the baseline consumption for rate setting purposes is challenging not only because of recurrent drought and fluctuating weather patterns but also evolving legislation (e.g., AB 1668). Customers have responded to conservation messaging and have reduced overall consumption. Conservation measures have resulted in permanent reductions in demand (such as turf removal, fixture replacements, and behavioral changes), while other changes have been temporary. The projected

[1] Rates for FYE 2020 include the cost of purchased water from SDCWA through CY 2019. Any increases beginning in CY 2020 will be automatically passed-through at the time additional costs are known.

[2] Capital Investment Schedule was provided by the District and matches the information contained in the 2019 RMWD Water Facilities Plan.

usage was held constant during the Study Period and reflects some level of recovery or increased usage since FYE 2016, but still falls below the pre-drought usage levels.

- **Water Purchase Costs:** Increases in water costs from San Diego County Water Authority starting January 2019 are factored into the proposed water rates. Water costs have increased by approximately 23% since FYE 2016. FYE 2020 purchased water costs represent approximately 47% of total operating costs of the District's Water Fund.

Key Assumptions

Certain cost escalation assumptions and inputs were incorporated into the Study to adequately model expected revenues and future costs. These assumptions were based on industry experience and through discussions with District staff and are presented in the tables below. Table 1-2 details inflationary assumptions for District revenues.

Table1-2: Water Revenue Inflationary Assumptions

Revenues	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Non-Inflated	0%	0%	0%	0%	0%
Property Tax Revenue	2%	2%	2%	2%	2%

To ensure that future costs are reasonably projected, inflationary assumptions are utilized with input from District staff. Table 1-3 shows the inflationary assumptions that were utilized to inflate the expenses for future years (FYE 2020 and onward) in the financial plan. Based on Raftelis' experience, the inflationary assumptions used are within the typical range utilized by other Southern California water agencies.

Table1-3: Water Expense Inflationary Assumptions

Escalation Factors	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
General	3%	3%	3%	3%	3%
Salary	3%	3%	3%	3%	3%
Benefits	5%	5%	5%	5%	5%
Utilities	5%	5%	5%	5%	5%
SDCWA Purchased Water	6%	6%	6%	6%	6%
Capital	3%	3%	3%	3%	3%

Purchased water costs from SDCWA are a significant component of projecting the District's costs. Table 1-4 summarizes the assumptions used to project purchased water costs.

Table 1-4: Water Purchase Assumptions

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Water Purchases (AF)					
General Treated	3,987	3,987	3,987	3,987	3,987
TSAWR Treated	31	31	31	31	31
General Untreated	298	298	298	298	298
TSAWR Untreated	555	555	555	555	555
Contract Customers (TSAWR Untreated)	649	649	649	649	649
Treated Use					
% of Usage 1st Half of FY (July - Dec)	59%	59%	59%	59%	59%
% of Usage 2nd Half of FY (Jan - June)	41%	41%	41%	41%	41%
Untreated Use					
% of Usage 1st Half of FY (July - Dec)	50%	50%	50%	50%	50%
% of Usage 2nd Half of FY (Jan - June)	50%	50%	50%	50%	50%

Water Purchase Cost

The District purchases its water from the San Diego County Water Authority. All customers of the District receive a fixed charge, which consists of an MWD Readiness-to-Serve charge, an MWD Capacity Charge, a Customer Service Charge, an Infrastructure Access Charge, a Supply Reliability Charge, and an Emergency Storage Charge. The variable charge of water purchases consists of a SDWCA M&I Melded Untreated Rate, SDCWA Treatment Charge, Transportation Charge (charged to all units of water, both treated and untreated), and a Transitional Special Agriculture Water Rate (TSAWR) discount.

TSAWR customers receive water at a discounted rate because they have agreed to reduce usage during water shortages. Since they are required to reduce usage and since their service is interruptible, they do not receive the benefits of the Supply Reliability Charge or the Emergency Storage Charge. Currently, the District provides a variable discount for TSAWR customers that accounts for the variable credit, Supply Reliability Charge credit, and the Emergency Storage Charge credit.

Raftelis calculated the water purchase cost for FYE 2020 and beyond by using supply costs, projected water demand, water loss factors, and timing of water usage. Table 2-1 summarizes the water purchase costs for the current financial plan. Based on historical increases, purchased water costs were inflated by 6% each year beginning in FYE 2020. The Study projects these increases to more accurately reflect the District's anticipated expenditures, especially since pass-through rates have not been adjusted in recent years.

Table 2-1: Water Purchase Costs

Water Purchases	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Fixed Costs					
MWD Readiness-to-Serve Charge	$30,000	$31,800	$33,708	$35,730	$37,874
MWD Capacity Charge	$102,662	$108,822	$115,351	$122,272	$129,609
Customer Service Charge	$314,142	$332,990	$352,970	$374,148	$396,597
Infrastructure Access Charge	$380,218	$403,031	$427,213	$452,846	$480,017
Supply Reliability Charge	$338,454	$358,761	$380,287	$403,104	$427,290
Emergency Storage Charge	$671,160	$711,430	$754,116	$799,363	$847,324
Variable Costs					
SDCWA M&I Melded (Treated Usage)	$3,742,212	$3,966,744	$4,204,749	$4,457,034	$4,724,456
SDCWA M&I Melded (Untreated Usage)	$798,915	$846,850	$897,661	$951,520	$1,008,612
SDCWA M&I Melded (Contract Usage)	$607,713	$644,176	$682,826	$723,796	$767,223
SDCWA Treatment Costs	$1,136,249	$1,204,424	$1,276,689	$1,353,291	$1,434,488
Transportation Costs (Treated Usage)	$494,021	$523,663	$555,082	$588,387	$623,691
Transportation Costs (Untreated Usage)	$105,467	$111,795	$118,503	$125,613	$133,150
Transportation Costs (Contract Usage)	$80,226	$85,040	$90,142	$95,551	$101,284
TSAWR Discount	-$94,864	-$100,556	-$106,589	-$112,985	-$119,764
TSAWR Discount (Contract Customers)	-$104,722	-$111,005	-$117,665	-$124,725	-$132,209
Total Water Purchase Costs	**$8,601,854**	**$9,117,965**	**$9,665,043**	**$10,244,946**	**$10,859,642**

O&M Expenses

The District's FYE 2019 budget values and assumed inflationary factors (Table 1-3) for the Study Period were used as the basis for projecting O&M costs. Table 2-2 shows a summary of the projected O&M expenses for FYE 2020 through FYE 2024, excluding purchased water costs and capital investments.

Table 2-2: Projected Water O&M Expenses

O&M Expenditures	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Admin. and General	$3,273,712	$3,377,643	$3,484,978	$3,595,833	$3,710,329
Facilities Maintenance	$633,277	$653,528	$674,448	$696,063	$718,394
Meter Maintenance	$759,392	$785,058	$811,638	$839,166	$867,680
Pumping Facilities	$1,922,800	$2,011,627	$2,104,676	$2,202,151	$2,304,268
Supply	$116,105	$119,613	$123,228	$126,953	$130,791
Systems	$1,289,048	$1,334,154	$1,380,934	$1,429,457	$1,479,789
Trans. and Distribution	$1,499,984	$1,552,491	$1,606,949	$1,663,434	$1,722,028
Treatment	$36,050	$37,132	$38,245	$39,393	$40,575
Subtotal O&M	**$9,530,368**	**$9,871,245**	**$10,225,097**	**$10,592,450**	**$10,973,854**

Capital Improvement Plan

Table 2-3 shows the District's five-year capital improvement plan. The District provided capital projects in 2018 dollars. The capital projects for the study period (FYE 2020-2024) were inflated to future dollars using the capital escalation factor identified above in Table 1-3.

Table 2-3: District Capital Improvement Plan

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Planned CIP Projects					
Radio Read Meter Replacement Program	$250,000	$250,000	$250,000	$250,000	$250,000
Pump and Motor Efficiency Program	$0	$0	$0	$150,000	$150,000
Pipeline Replacement Program	$1,150,000	$1,950,000	$1,450,000	$2,400,000	$1,450,000
Valve Replacement Program	$200,000	$200,000	$0	$300,000	$200,000
Tank & Reservoir Rehabilitation Program	$70,000	$1,000,000	$0	$950,000	$0
PRV Rehabilitation Program	$125,000	$125,000	$125,000	$125,000	$125,000
Replace Poway Pump Station #5 Pump w/600 HP Nat. Gas Engine	$700,000	$0	$0	$0	$0
Mt. Woodson Floating Cover Replacement	$0	$1,250,000	$0	$0	$0
Hwy 78 North Magnolia Loop Project	$0	$0	$550,000	$0	$0
Upsize of Air Mail Ln/Chablis Rd/Garjan Ln Pipelines to 10-in	$0	$0	$0	$200,000	$1,200,000
Upsize of 6-in Snows Pipeline to 12-in	$0	$0	$0	$0	$100,000
Total CIP	**$2,495,000**	**$4,775,000**	**$2,375,000**	**$4,375,000**	**$3,475,000**
Cumulative Inflation Factor	106%	109%	113%	116%	119%
Total Inflated CIP	**$2,646,946**	**$5,217,771**	**$2,673,083**	**$5,071,824**	**$4,149,332**

Existing Debt

Table 2-4 shows the District's existing debt service. The existing debt consists of a Chase Bank Loan.

Table 2-4: Existing Water Debt Service

Existing Debt	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Chase Bank Loan					
Principal	$275,000	$283,000	$292,000	$301,000	$311,000
Interest	$104,055	$95,518	$86,720	$77,648	$68,284
Total Existing Debt Service	**$379,055**	**$378,518**	**$378,720**	**$378,648**	**$379,284**

Financial Outlook at Current Rates

Based on the District's revenue requirement, reserve policies, capital planning schedule, and current revenues, the existing water rates will:

- Result in **negative** net operating cash income in FYE 2020 of approximately $580,986 with the deficit increasing in each subsequent year

» Be able to fully fund capital projects through PAYGO and property taxes in FYE 2020. In FYE 2021, the District will need to use the entire Rate Stabilization reserve and will need to use portions of the operating reserve to cover capital needs or will need to forego routine capital replacements. » Not meet the ***minimum*** reserve targets beyond FYE 2020.

Figure 2-5 illustrates the operating position of the utility, where expenses, inclusive of reserve funding, are shown in stacked bars; and the total revenues at current rates are shown by the horizontal orange trend line. As shown in the figure, expenditures exceed revenues and the District will need to use reserves to cover daily operating costs.

Figure 2-5: District Operating Plan at Current Rates

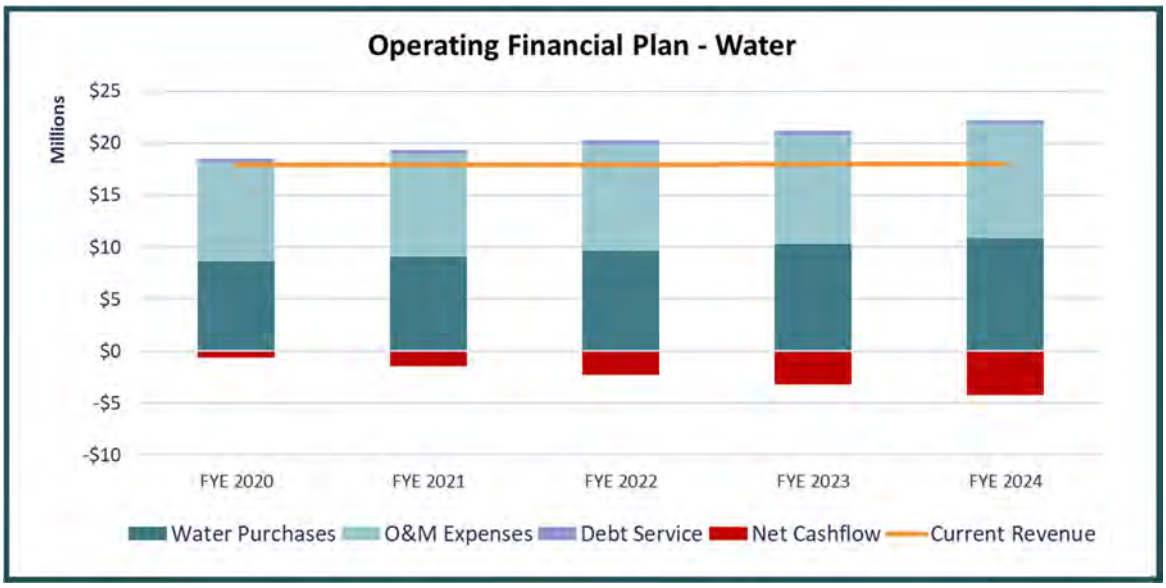
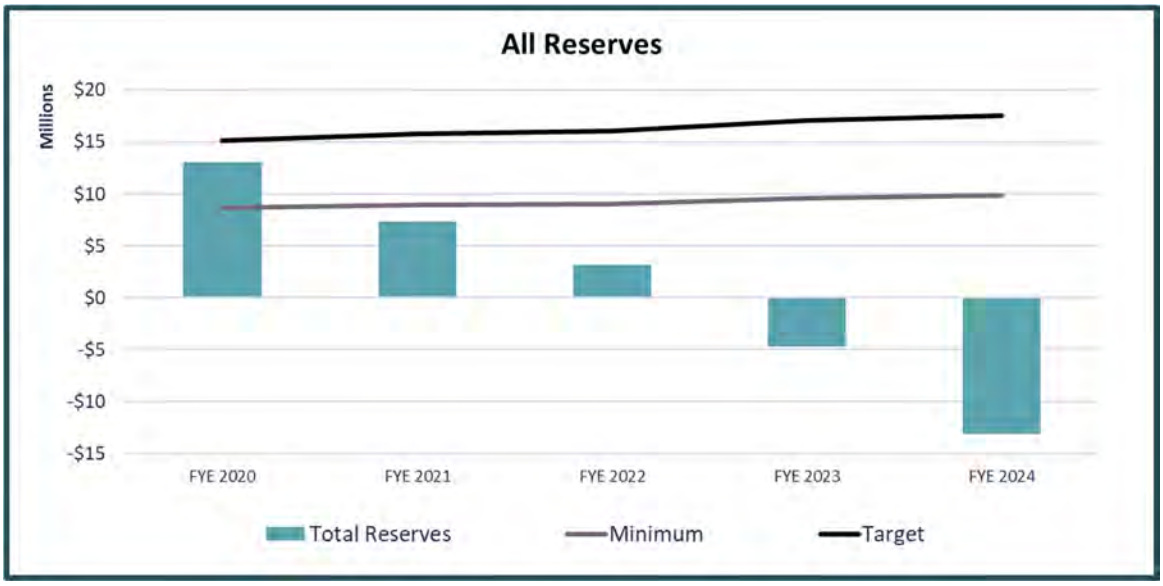


Figure 2-6 displays the ending total balances for all reserves by fiscal year for the District.

Figure 2-6: Current District Reserve Balances at Current Rates



Proposed Water Rates

The proposed water rates retain the District's current rate structure and contain the following three components:

1) ***Monthly fixed charge*** based on meter size recovers the costs related to meter maintenance and reading, customer service, billing, and a portion of the fixed costs from SDCWA.
2) ***Uniform commodity or volumetric rates*** that vary by customer type [General Treated, General Treated – AG, Transitional Special Agriculture Water Rate (TSAWR) Treated, General Untreated, TSAWR Untreated, and Construction] recover the remaining costs related to water supply and production, base delivery, and extra capacity.
3) ***Uniform energy or pumping rate*** (applicable to all customer types) recovers the significant energy costs associated with pumping water to and throughout the District's water distribution system.

The most widely adopted rate structure in the United States is a hybrid of fixed monthly charges by meter size and volumetric charges based on usage.[3] The fixed charge provides revenue stability while the volumetric charge encourages conservation.

Table 3-1 shows the current and proposed fixed meter charges for the Study Period. If approved, the proposed rates will be effective for the First Year on August 1, 2019, then July 1st each subsequent year as authorized by the Board. These rates have been adjusted to recover the current full costs from SDCWA; future increases from SDCWA will be in addition to the proposed rates shown below.

Table 3-1: Current and Proposed Fixed Meter Charges

Meter Size	Current Fixed Charge	2020 Proposed Fixed Charge	2021 Proposed Fixed Charge	2022 Proposed Fixed Charge	2023 Proposed Fixed Charge	2024 Proposed Fixed Charge
Effective Date:		8/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
3/4" or smaller	$32.33	$36.12	$38.65	$41.36	$44.26	$47.36
1"	$52.13	$55.73	$59.63	$63.81	$68.28	$73.06
1 1/2"	$101.97	$104.14	$111.43	$119.24	$127.59	$136.53
2"	$161.77	$165.36	$176.94	$189.33	$202.59	$216.78
3"	$301.16	$343.81	$367.88	$393.64	$421.20	$450.69
4"	$500.27	$608.67	$651.29	$696.89	$745.68	$797.88

Table 3-2 details the current and proposed commodity rates for the Study Period. Similar to the Fixed Meter Charges, the 2020 proposed commodity rates include the full costs from SDCWA including the discounts for TSAWR customers. Future increases from SDCWA will be in addition to the proposed not-to-exceed rates shown below.

[3] As indicated in the 2016 Water and Wastewater Rate Survey, conducted by AWWA and Raftelis, more than 90% of water providers in the US have either uniform or tier/block rates (Table III-18).

Table 3-2: Current and Proposed Commodity Rates

Customer Classes	Current Commodity Rates	2020 Proposed Commodity Rates	2021 Proposed Commodity Rates	2022 Proposed Commodity Rates	2023 Proposed Commodity Rates	2024 Proposed Commodity Rates
Effective Date:		8/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
General Treated	$5.69	$6.02	$6.45	$6.91	$7.40	$7.92
General Treated - AG	$0.00	$6.43	$6.89	$7.38	$7.90	$8.46
TSAWR Treated	$4.70	$5.46	$5.85	$6.26	$6.70	$7.17
General Untreated	$4.88	$5.93	$6.35	$6.80	$7.28	$7.79
TSAWR Untreated	$3.89	$4.96	$5.31	$5.69	$6.09	$6.52
Construction	$6.40	$8.55	$9.15	$9.80	$10.49	$11.23

Pumping / energy expenses are expected to account for approximately 11% of the District's operating expenses in FYE 2020. Since these costs represent such a significant portion of the District's O&M and because these are unavoidable costs, they are recovered through a separate pumping / energy rate as shown in Table 3-3, which includes proposed rates for each year in the Study Period.

Table 3-3: Current and Proposed Pumping / Energy Rates

Customer Classes	Current Pumping Rates	2020 Proposed Pumping Rates	2021 Proposed Pumping Rates	2022 Proposed Pumping Rates	2023 Proposed Pumping Rates	2024 Proposed Pumping Rates
Effective Date:		8/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
All Customers	$1.02	$0.99	$1.06	$1.14	$1.22	$1.31

Figure 3-4 and Figure 3-5 display the FYE 2020 through FYE 2024 Financial Plan in graphical format. Figure 3-4 graphically illustrates the Operating Financial Plan. It compares existing and proposed revenues and projected expenses. The expenses include purchased water, O&M, debt service, and reserve funding and are shown by the stacked bars; the total revenues at existing rates and proposed rates are shown by the horizontal orange and black lines, respectively. As previously discussed, the current revenues from exiting rates are not sufficient to meet future total expenses and shows the need for revenue adjustments. In addition, Capital projects are funded through the capital reserve, therefore, it is important to meet the minimum reserve targets to ensure sufficient funding of capital projects. Figure 3-5 shows the ending balance for the sum of the District's reserves and the reserve targets. As shown, under the proposed financial plan, the District will meet or exceed the **minimum** reserves each year of the Study Period.

Figure 3-4: Proposed Operating Financial Plan

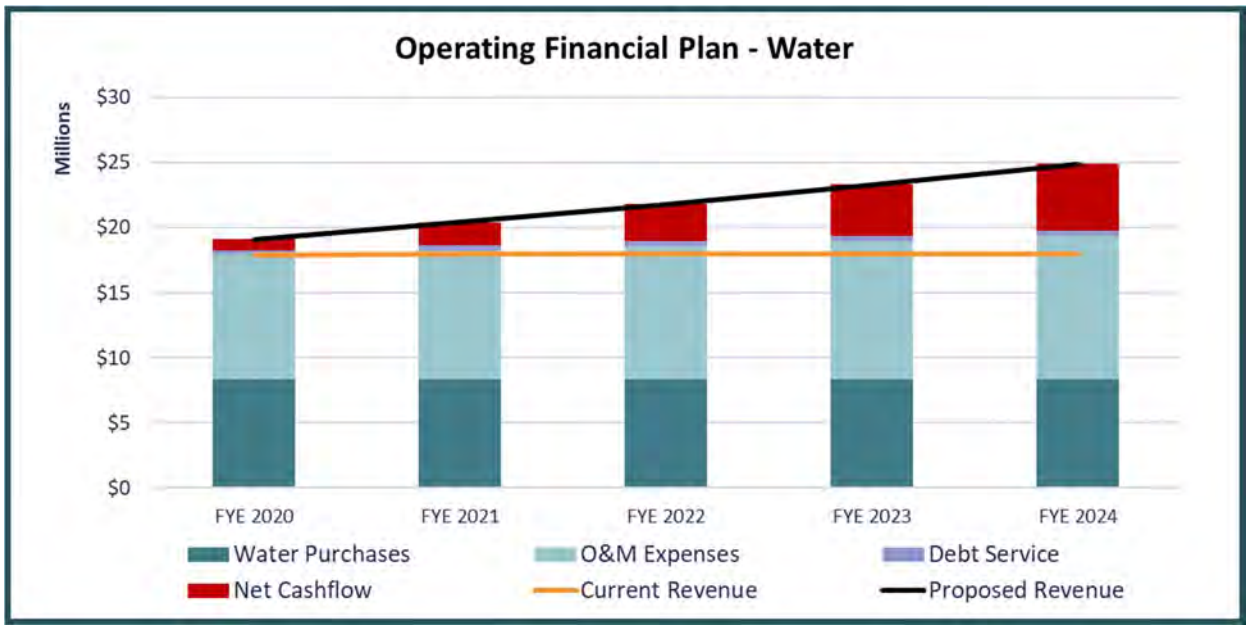
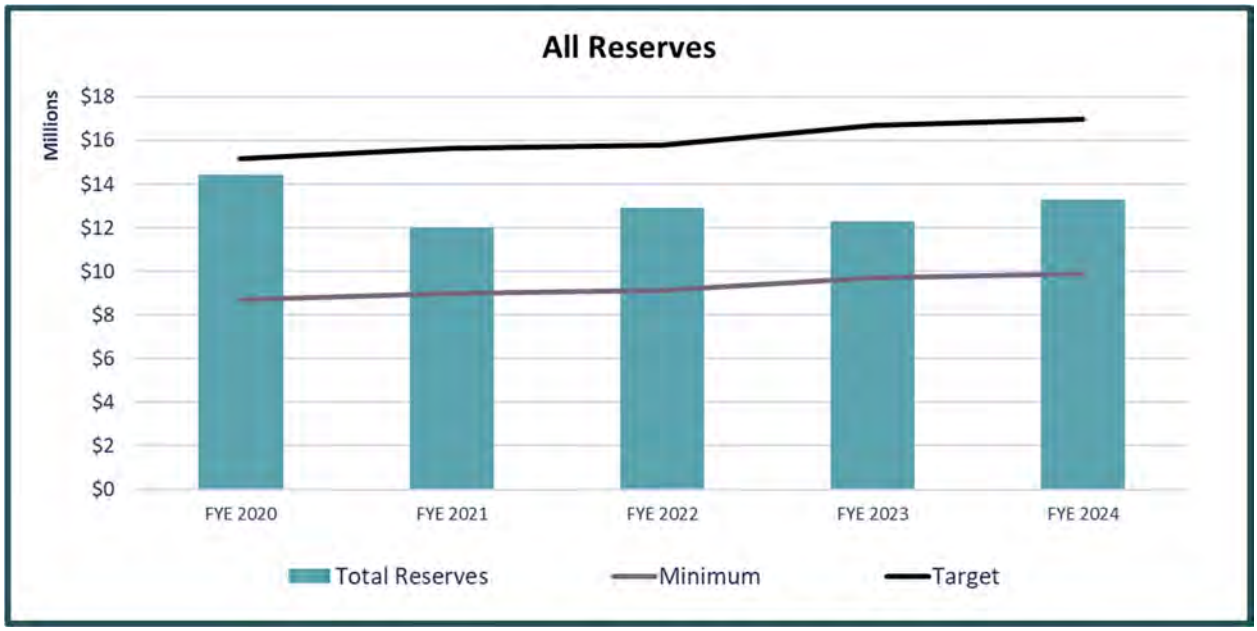


Figure 3-5: Proposed Reserve Balance



Closing

It has been a pleasure working with you, and we wish to express our thanks for the support from Mr. Richard Hannasch, Mr. Craig Schmollinger, and other staff members during the course of this Study.

Sincerely,

RAFTELIS CONSULTANTS, INC.

Ramona Municipal Water District

A Public Agency Organized August 15, 1956

NOTICE OF PUBLIC HEARINGS
Concerning Proposed Increases in Rates and Fees for Sewer and Water Services

NOTICE IS HEREBY GIVEN THAT the Board of Directors of the Ramona Municipal Water District ("the District") will conduct public hearings at **2:00 p.m. on July 9, 2019** at the Ramona Community Center, 434 Aqua Lane, Ramona, California 92065, following which it will consider adopting increases in rates and fees for sewer and water services. If adopted, 1) sewer service charges would be effective for the 5 fiscal years implemented annually beginning on July 1, 2019 through July 1, 2023 and 2) water rate and fee increases will go into effect on August 1, 2019 for Year 1 increases, and each subsequent July 1, from 2020 through 2023 for increases in Years 2-5.

SECTION 1. SEWER SERVICE CHARGES

1.A. San Vicente & Santa Maria Sewer Service Areas

The District provides wastewater service to two separate service areas including a) the San Vicente Sewer Service Area which serves parcels located mostly in San Diego Country Estates and the Rancho San Vicente/Ryland Homes development, and b) the Santa Maria Sewer Service Area which serves parcels located mostly in the downtown Ramona area and the Mt. Woodson development. Each sewer service area is served by a separate collection system and wastewater treatment plant and is accounted for as its own financially self-supporting enterprise. The District establishes separate charges for the San Vicente and Santa Maria Sewer Service Areas based on the costs of providing wastewater service to each service area.

1.B. Purpose of Proposed Sewer Service Charge Increases

Sewer service charge increases are needed to fund the District's provision of sewer services to its customers, including to support capital improvements to the District's aging wastewater collection and treatment facilities. Dudek, the District's engineering consultant, updated capital improvement plans that were adopted by the District's Board of Director's in 2018 for each sewer service area to address existing deficiencies, rehabilitate and replace aging infrastructure, and support continued reliability of service (Facilities Plans – San Vicente/Santa Maria Water Reclamation Plant & Collection Systems, July 2018). The capital improvement plans identify approximately $27.4 million of infrastructure improvements needed over the next decade including $19.3 million of upgrades and replacements needed within the next 5 years. Some examples are discussed below.

- **Wastewater Treatment Plant Capital Improvement Needs** – The District's two wastewater treatment plants were built over 45 years ago and have undergone various improvements and expansions over the years. Various components and equipment at each treatment plant have reached the end of their useful lives and need replacement and/or rehabilitation. Additionally, in order to meet current capacity requirements, the District needs to upsize and replace the Santa Maria wastewater treatment plant's effluent disposal pipeline which was installed over 50 years ago.
- **Repair & Replace Aging Sewer Collection System Pipelines & Lift Stations** – The San Vicente Sewer Service Area includes approximately 43 miles of sewer collection system pipelines and one sewer lift station. Many of the pipelines were installed in the early 1970s. The Santa Maria Sewer Service Area is served by approximately 29 miles of sewer collection system pipelines and 4 sewer lift stations. This system includes pipelines dating back to the 1940s. The proposed sewer service charges are designed to help the District fund high-priority capital improvements needed within the next 5 years in each separate sewer service area such as the replacement of the aging pipelines and provide a funding stream for ongoing collection system rehabilitation.

1.C. Basis Upon Which the Proposed Sewer Service Charges are Calculated

In 2019, the District contracted with an independent consulting firm, Bartle Wells Associates ("BWA") to review the operations costs, maintenance requirements, and infrastructure needs of the District's sewer systems and to analyze appropriate and proportional sewer service charges based upon users' demands on the systems. BWA completed its evaluation and finalized a financial plan and rate update for each sewer service area that included its analysis and recommendations for sewer service charge adjustments ("2019 BWA Reports").

1.D. Proposed Sewer Service Charges

The District is proposing to phase in increases to its sewer service charges for the San Vicente and Santa Maria Sewer Service Areas as shown on the table below based upon the 2019 BWA Reports. The proposed charges are designed to recover projected operating, maintenance, and capital improvement expenses of each sewer service area as shown in the 2019 BWA Reports.

The District levies sewer service charges on the basis of Equivalent Dwelling Units (EDUs). EDU classification is based on the District Legislative Code, quantifying the wastewater conveyance, treatment and disposal requirements of each parcel, based on the maximum wastewater flow and strength of the type(s) of wastewater-generating uses on each parcel. One EDU represents the wastewater flow and strength requirements and system capacity need of a standard single-family residential dwelling unit within each Sewer Service Area. Multi- and Non-Residential uses are typically multiples of this EDU definition, equating to the maximum wastewater production of the parcel. Property owners may request re-evaluation of the EDU calculation of a parcel at any time, in accordance with the District Legislative Code.

The District's sewer service charges are billed annually per fiscal year, which runs from July 1 through June 30. Annual sewer service charges for most customers are billed and collected on the County's property tax bills.

Proposed Sewer Service Charges						
	Current Annual Charge	Poposed Annual Sewer Service Charges Effective Fiscal Year Beginning July 1				
		2019	2020	2021	2022	2023
San Vicente Sewer Service Area						
Proposed Increase %		1.5%	1.5%	1.5%	1.5%	1.5%
Annual Sewer Service Charge per EDU*	$756.87	$768.22	$779.75	$791.44	$803.31	$815.36
Santa Maria Sewer Service Area						
Proposed Increase %		2.0%	2.0%	2.0%	2.0%	2.0%
Annual Sewer Service Charge per EDU*	$789.67	$805.46	$821.57	$838.00	$854.76	$871.86

* EDU = Equivalent Dwelling Unit.

The proposed sewer service charges, as calculated from the 2019 BWA Reports, will not exceed the cost of providing sewer service to District customers. The cost of providing sewer service includes not only immediate operating costs, but long-term operating and capital needs as well. Sewer service charges are only used by the District to provide ongoing sewer service to District customers, in proportion to the costs necessary to provide sewer service to each customer. If adopted, the proposed sewer service charges would go into effect on July 1, 2019 for Year 1, and annually thereafter each July 1 from 2020 through 2023 for Year 2-5 adjustments.

SECTION 2. WATER RATE AND FEE INCREASES

2.A. Purpose of Proposed Water Rate and Fee 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 and fees 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 total costs for electricity, natural gas and pumping are included in the energy/pumping rate and have also increased. For example, payments to SDG&E related to water service increased over 18% from calendar year 2015, when the District last completed a water rate study, to calendar year 2018. While these energy costs have increased, the District has taken proactive steps to address these increased costs from SDG&E, to help limit those effects on the Districts water customers. These steps include operation of a natural gas engine at the Poway Pump Station which uses less expensive fuel (natural gas versus electricity), and pumping water off peak hours as defined by SDG&E, to the extent feasible.

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.

2.B. Basis Upon Which the Proposed Rates and Fees 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 and fees. 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 and monthly system charges are as follows:

2.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. The energy/pumping rate portion of the water rate includes the District's costs for purchasing electricity and natural gas from SDG&E and the cost of pumping water to the District's customers.

Rate*	Current Per-unit Rate	Effective August 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 treated rate	$5.69	$6.02	$6.45	$6.91	$7.40	$7.92
General treated - AG	$0.00	$6.43	$6.89	$7.38	$7.90	$8.46
General untreated rate	$4.88	$5.46	$5.85	$6.26	$6.70	$7.17
SAWR treated rate	$4.70	$5.93	$6.35	$6.80	$7.28	$7.79
SAWR untreated rate	$3.89	$4.96	$5.31	$5.69	$6.09	$6.52
Energy/pumping rate	$1.02	$0.99	$1.06	$1.14	$1.22	$1.31

Construction	$6.40	$8.55	$9.15	$9.80	$10.49	$11.23

* Your applicable water rate and meter size appears on your District service bill. Please contact the District at (760) 788-2200 if you have difficulty locating this information.

**Proposed water rates for Years 2-5 do not include future potential pass-through increases from the SDCWA or SDG&E which may be authorized via the pass-through ordinance described in more detail below. If the Board approves the pass-through ordinance described below, those 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.

2.D. Proposed Monthly System Charges

The monthly system charge for water service is a fixed monthly fee structured to recover a portion of the District's fixed costs of providing water service to its customers, such as the water distribution system (mains and pipelines, storage tanks, meters, etc.) and a portion of SDCWA water purchases.

Meter Size*	Current Monthly System Charge	Effective August 1, 2019 (Year 1)	Effective July 1, 2020 (Year2)**	Effective July 1, 2021 (Year 3)**	Effective July 1, 2022 (Year 4)**	Effective July 1, 2023 (Year 5)**
3/4" or smaller	$32.33	$36.12	$38.65	$41.36	$44.26	$47.36
1"	$52.13	$55.73	$59.63	$63.81	$68.28	$73.06
1 ½"	$101.97	$104.14	$111.43	$119.24	$127.59	$136.53
2"	$161.77	$165.36	$176.94	$189.33	$202.59	$216.78
3"	$301.16	$343.81	$367.88	$393.64	$421.20	$450.69
4"	$500.27	$608.67	$651.29	$696.89	$745.68	$797.88

* Your applicable water rate and meter size appears on your District service bill. Please contact the District at (760) 788-2200 if you have difficulty locating this information.

**Proposed water rates for Years 2-5 do not include future potential pass-through increases from the SDCWA or SDG&E which may be authorized via the pass-through ordinance described in more detail below. If the Board approves the pass-through ordinance described below, those 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 and monthly system charges, 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 and monthly system charge increases would go into effect on August 1, 2019 for Year 1, and on each July 1 from 2020 through 2023 for Years 2-5.

SECTION 3. NOTICE OF PASS THROUGH ORDINANCE FOR WATER SERVICES

The Board of Directors will also consider an ordinance authorizing 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 would authorize 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 for each of the following five years 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.

SECTION 4. PROTESTS

At separate public hearings, the Board of Directors will consider objections and protests to the proposed rates and fees for water and sewer services. Any property owner or any tenant directly responsible for the payment of such rates and fees may submit a written protest to the proposed increases to the rates and fees; provided, however, that only one protest will be counted per identified parcel. Separate protests may be submitted to rates and fees for water and sewer services, or they may be combined in one document. Each written protest must: (1) state that the identified property owner or tenant is opposed to the proposed water and/or sewer rate and/or fee increases; (2) provide the location of the identified parcel (by assessor's parcel number or street address) where the water/sewer 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 hearings on July 9, 2019, so long as they are received prior to the close of the public hearing on water and/or sewer services, as applicable, which will occur when public testimony on the proposed rate and fee 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 and Fees for Water and/or the public hearing on the Proposed Increases in Sewer Service Charges, or both, and which rate and/or fee 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 and fee increases at the public hearings. Oral comments at the public

hearings will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of each public hearing, the Board of Directors will consider adoption of the proposed rate and fee increases. If written protests against the proposed rates and fees are not presented by a majority of the property owners or customers of the identified parcels upon which the rates and fees are proposed to be imposed, the Board of Directors will be authorized to adopt the proposed rate and fee increases. The District remains committed to operating efficiently and plans to only increase water rates and charges, and sewer service charges 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), the 2019 BWA Reports (Sewer), or the Dudek capital improvement plan (Facilities Plans) please send your request to the address below. As noted above, the public hearings are scheduled for 2:00 p.m. on July 9, 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 Water and Sewer Rates
(760) 788-2203

RAMONA MUNICIPAL WATER DISTRICT
AGENDA MEMO

Agenda Item No. C.2.a.
Regular Board Meeting of July 9, 2019

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: DISCUSSION AND POSSIBLE ACTION TO ADOPT AN ORDINANCE MODIFYING THE DISTRICT'S SAN VICENTE AND SANTA MARIA SEWER SERVICE CHARGES EFFECTIVE JULY 1, 2019 FOR YEAR 1 ADJUSTMENTS AND ANNUALLY THEREAFTER

Members of the Board:

Purpose

Hold a public hearing to consider input from the public under Agenda Item C.2., and adopt an Ordinance modifying the District's San Vicente sewer service charge and Santa Maria sewer service charge.

Background

Proposition 218 “The Right to Vote on Taxes Act” requires local government agencies to hold a public hearing to consider protests against proposed increases in those sewer charges which are affected by Proposition 218. The Board approved the Proposition 218 notice for sewer charges at its May 14, 2019 meeting. The notice for this public hearing with the proposed increases to sewer charges was sent to the affected property owners and customers 45 days prior to this public hearing as required by law.

Discussion

Each sewer service area is served by a separate collection system and wastewater treatment plant and is accounted for as its own financially self-supporting enterprise. The District establishes separate charges for the San Vicente and Santa Maria Sewer Service Areas based on the costs of providing wastewater service to each service area.

In addition to setting public hearing requirements, Proposition 218 requires:

- Revenues derived from the proposed fee shall not exceed the funds required to provide the property related service.
- Revenues from the fee shall not be used for any other purpose than for what the fee is charged.

- The amount of the fee imposed upon any parcel shall not exceed the proportional cost to provide the service to the parcel.
- Fees are only charged for service that is actually used by or immediately available to the property owner paying the fee.
- The fee is not levied for general governmental purposes.

In 2019, the District engaged Bartle Wells Associates, an independent consulting firm, to conduct a rate and fee study for the Santa Maria Sewer Service Area. Bartle Wells Associates reviewed the operating costs, maintenance requirements, and infrastructure needs of the Santa Maria Sewer Service Area over a multi-year period. The rate study objectives included developing sewer charges that comply with the legal requirements of Proposition 218. Bartle Wells Associates issued the Sewer Rate Study for the Santa Maria Sewer Service Area in May 2019. The report recommended a 2% annual charge increase over a 5-year period, from FY 2019-20 through FY 2023-24.

In 2019, the District engaged Bartle Wells Associates to conduct a rate and fee study for the San Vicente Sewer Service Area. Bartle Wells Associates reviewed the operating costs, maintenance requirements, and infrastructure needs of the San Vicente Sewer Service Area over a multi-year period. The rate study objectives included developing sewer charges that comply with the legal requirements of Proposition 218. Bartle Wells Associates issued the Sewer Rate Study for the San Vicente Sewer Service Area in May 2019. The report recommended a 1.5% annual charge increase over a 5-year period, from FY 2019-20 through FY 2023-24.

District staff has reviewed the past and present District engineering department's analysis of industry and District data, as well as methodology and projections used by Bartle Wells Associates in the 2019 studies. Staff agrees with the recommendations for the proposed Fiscal Year 2019-20 through 2023-24 charges.

As calculated by Bartle Wells Associates' analysis, the sewer charges will not exceed the cost of providing sewer service to District customers. The cost of providing sewer service includes not only immediate operating costs, but long-term operating and capital needs as well. Sewer charges and fees are used by the District only to provide ongoing sewer service to District customers, in proportion to the costs necessary to provide sewer service to each customer.

The following charges are proposed to be effective July 1, 2019 for Year 1 adjustments, and each July 1 thereafter from 2020-2023.

	Current Annual Charge	Annual Sewer Service Charges Effective Date				
		7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
San Vicente Sewer Service Area						
Annual Sewer Service Charge per EDU*	$756.87	$768.22	$ 779.74	$791.44	$803.31	$815.36
Santa Maria Sewer Service Area						
Annual Sewer Service Charge per EDU*	$789.67	$805.46	$821.57	$838.00	$854.76	$871.86

* EDU = Equivalent Dwelling Unit.

These charges are consistent with the recommendations from the studies by Bartle Wells Associates. The charges represent a 1.5% annual increase for a 5-year period for San Vicente, and a 2% annual increase, for a 5-year period for Santa Maria.

The Board authorized a 5-year annual charge adjustment Proposition 218 Notice at its May 2019 Board meeting, for consideration at its July 9, 2019 Board meeting. By authorizing this 5-year Proposition 218 Notice, the Board maintained its flexibility in considering multiple-year rate adjustments at the conclusion of today's hearing. As such, the Board may choose to adopt rates less than the five-years allowed by the Prop. 218 Notice.

The Board can consider approving the adjustments to the sewer charges provided that the District has not received valid written protests to the proposed rates from a majority of the owners of the parcels or customers of the identified parcels. As stated in the Notice that was sent in advance of the public hearing, valid written protests must: (1) state that the identified property owner or tenant is opposed to the proposed water rate and/or fee 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. Only one protest will be counted per identified parcel. Written protests may be submitted by mail or in person. Protests submitted via e-mail or other electronic means will not be accepted.

There are benefits associated with the Board adopting a longer-term charge adjustment. These benefits include: reducing consultant expense frequency for charge review and adjustment recommendations (estimated at $50-$100K per review – potential annual savings); setting a "cap" on the not-to-exceed approved increases over a predefined timeline when subsequent rate reviews may indicate a higher adjustment is necessary; and retaining administrative authority to review rate adjustments during the approved adjustment timeline with options to adopt a lesser increase than approved through the Proposition 218 hearing process.

At the public hearing on July 9, 2019, the RMWD Board will review and consider any protest letters which are submitted, including protests relating to the method for calculating sewer fees. The following information may be helpful during these discussions.

The District levies sewer service charges on the basis of Equivalent Dwelling Units (EDUs). These sewer service charges are based on the number of EDUs determined for each parcel. The sewer service charge is calculated by dividing the total amount of projected revenues

needed to cover projected costs for both operations and maintenance and capital expenses by the total number of projected annual EDUs, in order to calculate an annual fixed sewer service charge “per EDU” for each sewer service area.

Per the previous 2014 Bartle Wells study for San Vicente, “Unlike water consumption, which can be reasonably accurately measured by water meters, the volume of wastewater discharge cannot easily or cost-effectively be metered. Likewise, it is extremely impractical and cost-prohibitive to physically sample and analyze every customer’s wastewater to determine their wastewater strength concentration or loadings. Due to these limitations, California agencies have used a range of alternative approaches to reasonably estimate the wastewater capacity needs, flow and strength of different customers and/or classes.”

For most parcels, a portion of the metered water used is used for outside irrigation, and may exit through the storm drains or other avenues not including into the sewer system. The balance is for indoor use and is either consumed as drinking water or used for some indoor purpose. Most of the metered water for indoor use is generally assumed to exit as wastewater. To further complicate matters, it is impractical to analyze every customer's wastewater to determine strength, concentration and loadings. Considering these realities, the District, like most sewer service providing agencies in California, uses an EDU method, which charges for sewer service based on estimated wastewater capacity needs, flow and strength for different customer types or classes.

The EDU method for calculating sewer service treats customers equitably, regardless of their water service status. The District has a variety of customers, including those that receive both water and sewer service, those that receive water but not sewer service (septic systems), those that receive sewer but not water service (private wells), and those that receive neither water or sewer service. District customers, at their discretion, have the ability to add or remove both water and/or sewer service within each service area. As a result, the EDU method assures that similarly situated sewer customers receive similar sewer charges for similar wastewater service availability. In light of the fact that some District customers do not receive water service from the District, or utilize private wells to supplement their water use needs, the EDU method provides an equitable method of determining customer cost contribution. The cost of wastewater collection, treatment and disposal is a zero-sum consideration. The EDU-based system provides the District’s best estimate that each customer’s cost is based on that parcel’s potential need. The EDU-based system is an industry standard method of defining sewer service charges, which has equitably served the community of Ramona for many years.

EDU classification is based on the District Legislative Code, quantifying the wastewater conveyance, treatment and disposal requirements of each parcel, based on the maximum wastewater flow and strength of the type(s) of wastewater-generating uses on each parcel. One EDU represents the wastewater flow and strength requirements and system capacity need of a standard single-family residential dwelling unit within each Sewer Service Area. Multi- and Non-Residential uses are typically multiples of this EDU definition, equating to the maximum wastewater production of the parcel. Property owners may request re-evaluation of the EDU calculation of a parcel at any time, in accordance with the District Legislative Code. This

process can be initiated by the property owner submitting an application for change in sewer service.

Single family homes and multi-family dwelling units connected to the collection system with one or more bedrooms are assigned one EDU per dwelling unit. With the single family home as the baseline, the EDU schedule has over 20 category types with industry-accepted flow and strength estimates based on the category types and additional unique factors such as square footage, number of washing machines, number of students per school, and other factors. The majority of California agencies providing sewer services have commercial sewer rate structures similar to the District. Each parcel connected to the sewer system is charged by multiplying the fixed sewer service charge per EDU, times the number of EDUs determined for the parcel. This method assures that each parcel owner is responsible for paying his or her proportional I share of the revenues needed to provide sewer services, based on the total amount of EDUs determined for their parcel.

Fiscal Impact

As indicated above and shown in the Bartle Wells Associates reports, the proposed increases would fund the costs of providing sewer service to the San Vicente Sewer Service Area, and to the Santa Maria Sewer Service Area. Each system is a stand-alone system and must be funded for the appropriate operation of the system. If approved, staff will incorporate future rate adjustments into proposed budgets to be considered by the Board.

Recommendation

Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.2., the Board approve the rate adjustments to be effective July 1, 2019 for Year 1 adjustments, and each July 1 thereafter from 2020-2023 for Years 2-5 adjustments, by adopting the attached Ordinance.

Prepared by: Craig Schmollinger, Chief Financial Officer

Submitted by: David Barnum, General Manager

ATTACHMENTS:

Attachment 1	Proposed Ordinance – Exhibit A	C.2.a. Page 6-9
Attachment 2	2019 Sewer Rate Study for Santa Maria Sewer Service Area	C.2.a. Page 10-32
Attachment 3	2019 Sewer Rate Study for San Vicente Sewer Service Area	C.2.a. Page 33-55
Attachment 4	5 Year Proposition 218 Notice	C.2.a. Page 56-62

ORDINANCE NO. 19-XXX

AN ORDINANCE OF THE BOARD OF DIRECTORS OF RAMONA MUNICIPAL WATER DISTRICT MODIFYING THE DISTRICT'S SEWER SERVICE RATES EFFECTIVE JULY 1, 2019

WHEREAS, the Ramona Municipal Water District ("District") is organized and operates pursuant to the California Municipal Water District Law of 1911, commencing with Section 71000 of the California Water Code, and has the authority to establish sewer service-related rates in accordance therewith; and

WHEREAS, the District is the sewer purveyor within its service area; and

WHEREAS, the Board of Directors of the District has been presented with the 2019 Sewer Rate Studies from Bartle Wells Associates related to the Santa Maria Sewer Service Area and the San Vicente Sewer Service Area, showing the estimated reasonable costs of providing sewer services and showing the revenue sources available to cover the costs of providing such sewer services; and

WHEREAS, the Board of Directors of the District has been presented with the 2019 Financial Plan & Rate Updates from Bartle Wells Associates related to the Santa Maria Sewer Service Area and the San Vicente Sewer Service Area, which include sewer rate recommendations for the Year 1 fiscal year adjustments beginning July 1, 2019 and annually thereafter each July 1 from 2020 through 2023; and

WHEREAS, District staff has reviewed the past and present District engineering department's analysis of industry and District data as well as the methodology and projections used by Bartle Wells Associates in the 2019 study, and agrees with the recommendations for the proposed sewer service rates; and

WHEREAS, notice of a public hearing in connection with the proposed modification to the San Vicente Sewer Service Rate and the Santa Maria Sewer Service Rate was duly given and the public hearing therein set forth was duly held on July 9, 2019.

NOW, THEREFORE, be it ordained by the Board of Directors of Ramona Municipal Water District as follows:

Section 1. The matters set forth in the recitals to this Ordinance are true and correct statements and are incorporated herein as findings.

Section 2. Pursuant to Proposition 218, the Board of Directors on May 14, 2019, authorized and directed Staff to give Notice of a Public Hearing, and Notice was mailed to property owners and customers within District boundaries no less than 45 days prior to the Public Hearing, set for July 9, 2019. The Board conducted a public hearing on July 9, 2019, during

which the Board heard and considered the comments of all persons appearing at the Hearing and all written comments submitted prior to the close of the Public Hearing. The President of the Board determined that the Board did not receive written protests by a majority of the owners or customers of record of the affected properties served by the District.

Section 3. The Board of Directors finds that the revenue derived from the sewer rates established by this Ordinance (1) does not exceed the funds required to provide sewer services, (2) shall not be used for any other purpose than that for which the charge was imposed, (3) does not exceed the proportional cost of the service attributable to each parcel, (4) provides a service which is immediately available to the parcel, and (5) is not levied for general governmental purposes.

Section 4. The modification of the sewer rates is not subject to the California Environmental Quality Act.

Section 5. The Board of Directors finds that the San Vicente Sewer Rates and the Santa Maria Sewer Rates as described in Exhibit "A," attached hereto and by this reference incorporated herein, will provide revenue to the Ramona Municipal Water District to be used for the costs of sewer service.

Section 6. Having evaluated and considered the proposed sewer rates, the Board of Directors finds that the San Vicente sewer rates and the Santa Maria sewer rates as found on Exhibit "A," attached hereto and by this reference incorporated herein, are hereby approved and adopted and the General Manager of the Ramona Municipal Water District is hereby authorized and directed to modify any documents to reflect the new rates and effect the collection of the sewer rates after the effective date of July 1, 2019 for Year 1 adjustments and thereafter as shown in Exhibit "A."

Section 7. If any provision of this Ordinance or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The Board declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion of this Ordinance.

Section 8. This Ordinance shall become effective upon its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Ramona Municipal Water District held July 9, 2019, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Jim Robinson
President, Board of Directors
Ramona Municipal Water District

ATTEST:

_____

Bryan Wadlington
Secretary, Board of Directors
Ramona Municipal Water District

EXHIBIT "A"

Schedule of FY 2019-20 through FY2023-24 Sewer Rates

	Current Annual Charge	Annual Sewer Service Charges Effective Date				
		7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
San Vicente Sewer Service Area						
Annual Sewer Service Charge per EDU*	$756.87	$768.22	$ 779.74	$791.44	$803.31	$815.36
Santa Maria Sewer Service Area						
Annual Sewer Service Charge per EDU*	$789.67	$805.46	$821.57	$838.00	$854.76	$871.86

* EDU = Equivalent Dwelling Unit.

Ramona Municipal Water District

Santa Maria Sewer Service Area
Sewer Rate Study

April 2019

BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Ramona Municipal Water District

Santa Maria Sewer Service Area
Sewer Rate Study

April 29, 2019

Prepared by:

Bartle Wells Associates
1889 Alcatraz Avenue
Berkeley, CA 94703
Tel: 510.653.3399
www.bartlewells.com

BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue
Berkeley, CA 94703
510 653 3399 fax: 510 653 3769
www.bartlewells.com

April 29, 2019

Ramona Municipal Water District
105 Earlham Street
Ramona, California 92065

Re: Santa Maria Sewer Service Area Sewer Rate Study

Bartle Wells Associates is pleased to submit the attached *Santa Maria Sewer Service Area Sewer Rate Study*. The study develops updated financial and sewer rate projections for the Santa Maria Sewer Service Area and recommends adoption of 2% annual sewer rate increases in upcoming years.

The proposed rates are designed to fund the costs of operating and maintaining the wastewater system and adequately fund capital improvement needs identified in the recently-updated *Santa Maria Sewer Service Area Wastewater Reclamation Plant & Collection System Facilities Plan*, and equitably recover costs from all customers.

I enjoyed working with the District on this assignment and appreciate the assistance and input received from the District during development of this study. Please contact me anytime if you have questions about the recommendations in this report or other issues regarding utility rates and finances.

Sincerely,

BARTLE WELLS ASSOCIATES

Alex T. Handlers
Principal/Vice-President

Table of Contents

Appendix A – Tables & Charts

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Santa Maria Sewer Service Area
Sewer Rate Study

1. Background

The Ramona Municipal Water District provides water, sewer, recycled water, fire protection, emergency medical services and park services to customers in and around the community of Ramona. The District is located in San Diego County approximately 30 miles northeast of the City of San Diego. The District was formed in 1956 and is governed by a five-member Board of Directors.

The District provides wastewater service to two separate service areas including a) the San Vicente Sewer Service Area which serves parcels located mostly in San Diego Country Estates and the Rancho San Vicente/Ryland Homes development, and b) the Santa Maria Sewer Service Area which serves parcels located mostly in the downtown Ramona area and the Mt. Woodson development. Each sewer service area is served by a separate collection system and wastewater treatment plant and is accounted for as its own financially self-supporting enterprise. The District establishes separate charges for the San Vicente and Santa Maria Sewer Service Areas based on the costs of providing wastewater service to each service area.

The Santa Maria Sewer Service Area (SMSSA) was originally formed by the County of San Diego in 1946. In 1973, the County relocated the treatment plant to its current location, with an initial treatment capacity of 0.5 million gallons per day (mgd). In 1981, the Ramona Municipal Water District took over ownership of the Santa Maria Wastewater Treatment Plant. In 1995, the Regional Water Quality Control Board (RWQCB) approved expansion of the treatment plant to its current capacity of 1.0 mgd.

Santa Maria Sewer Service Area collection system infrastructure include approximately 29 miles of sewer collection system pipelines and 4 sewer lift stations. Many of the District's sewer pipelines were installed over 40-50 years ago and are approaching the end of their useful lives and in need of replacement, upsizing, and/or rehabilitation.

2. Rate Study Objectives

Bartle Wells Associates (BWA) has assisted the District with development of wastewater enterprise financial plans and rate analysis since 2013. BWA was initially retained by the District via a competitive RFP process to develop a comprehensive sewer rate study for the Santa Maria Sewer Service Area in 2013 and subsequently developed a comprehensive sewer rate study for the San Vicente Sewer Service Area in 2014. Key objectives of the current Sewer Rate Study include

developing an updated financial plan and rate recommendations that achieve the following objectives:

1. Develop sewer rate recommendations designed to:
    a. Recover the Santa Maria Sewer Service Areas' projected costs of providing service
    b. Provide adequate funding for capital needs including high-priority treatment plant and collection system improvements and infrastructure rehabilitation identified in the 2018 Facilities Plan
    c. Comply with the legal requirements of Proposition 218
2. Aim for steady, gradual annual rate increases to help minimize the annual impact on customers and avoid the need for larger periodic rate spikes
3. Use pay-as-you-go cash funding for capital improvements to the extent financially prudent
4. Maintain a prudent level of fund reserves
5. Support long-term financial stability

The proposed rate increases developed in this study are applied on an across-the-board basis to the District's existing sewer rates and maintain the rate structure developed in the 2014 Santa Maria Sewer Service Area Sewer Rate Study, which is incorporated herein by reference.

3. Finances & Rates

The Santa Maria Sewer Service Area is a financially self-supporting enterprise. Sewer service charges are the main source of revenue. As such, sewer rates must be set at adequate levels to support the costs of providing service including operating, maintenance and capital improvement needs.

The District has engaged in proactive financial stewardship by gradually raising sewer rates most years over the past two decades to keep revenues in line with the cost of providing service. The gradual rate increases have enabled the District to meet annual funding needs and avoid the need for large rate spikes. Rates were last increased effective July 1, 2017 as no rate increase was implemented in the current fiscal year.

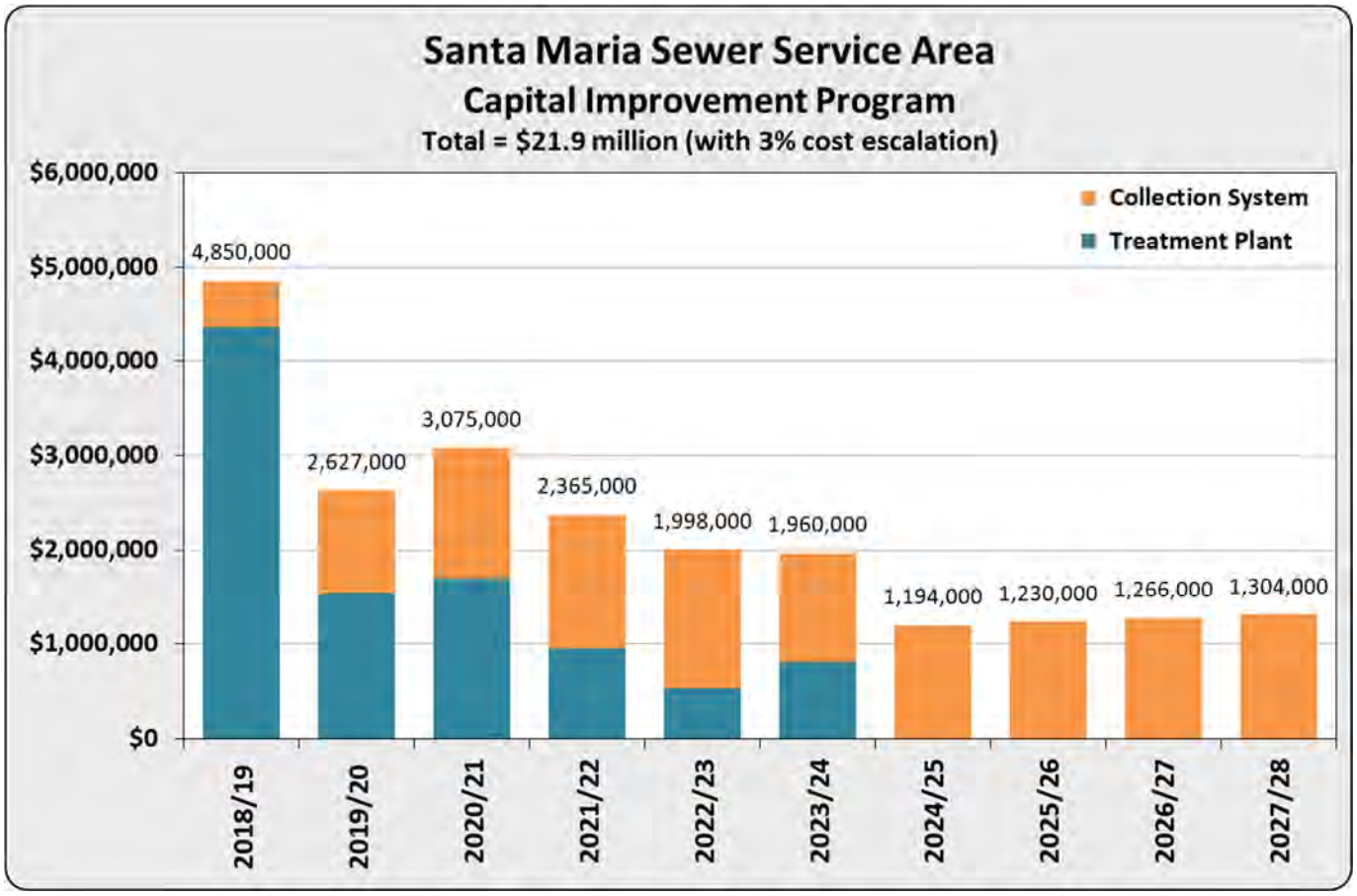
Since 2001, sewer service charges for the Santa Maria Sewer Service Area have increased at an average annual rate of 5.2%. Over the past 5 fiscal years, rates have increased at an average rate of 4.4% per year.

The District's sewer service charges are billed annually per fiscal year, which runs from July 1 through June 30. Annual sewer service charges for most customers are billed and collected on the County's property tax bills.

4. Facilities Plan & Capital Funding Needs

In 2018, Dudek – the District's consulting engineering firm – updated and the Board adopted a *Water Reclamation Plant & Collection System Facilities Plan* for the Santa Maria Sewer Service Area based on an engineering evaluation of District facilities. The Facilities Plan identifies capital improvements needed to address existing system deficiencies, rehabilitate aging infrastructure that has reached the end of its useful life, and support safe and reliable service.

The 2018 Facilities Plan identifies $19.9 million (current dollars) of capital improvement needs over the next 10 years including $15.9 million (current dollars) of near-term needs in the current and next 5 fiscal years. With projected 3% construction cost inflation, capital improvement costs are projected to total $21.9 million over the decade including $16.9 million through the end of the next 5 fiscal years.



The District anticipates funding its capital needs on a pay-as-you-go cash basis, without need for debt using a combination of fund reserves, revenues generated from current and projected sewer rates, and partial cash contribution from the District's discretionary use of property tax revenues. Financial projections indicated that the District will need to continue adopting small, gradual rate increases to support projected operating and capital improvement expenses.

5. Financial Projections

BWA developed 10-year financial projections for the Santa Maria Sewer Service Area to evaluate annual revenue requirements and project rate increases. The financial projections are based on the latest information available, District input, and a number of reasonable and slightly-conservative assumptions. Key assumptions include:

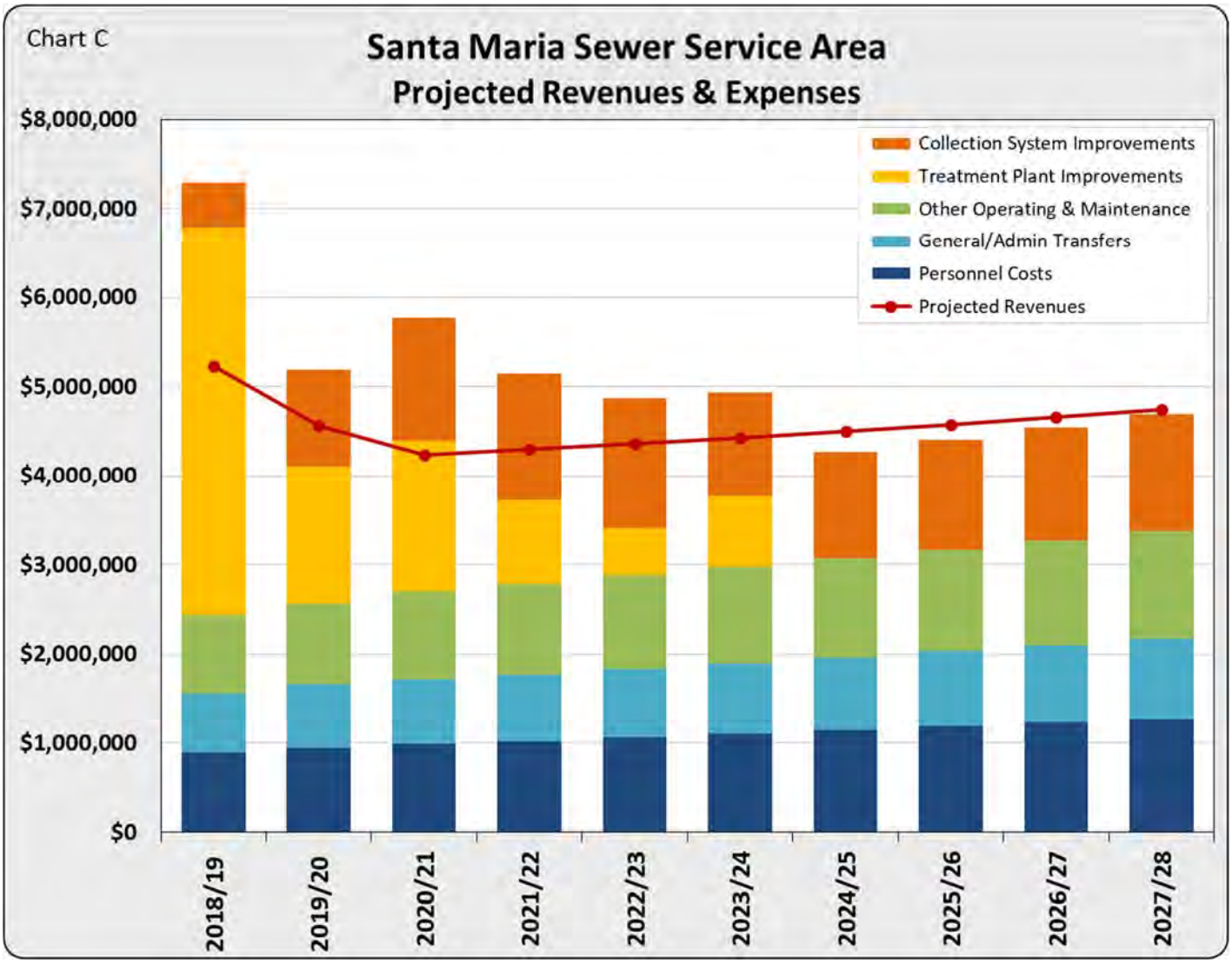
Revenues Assumptions

- Sewer service charge revenues are based on current year revenue estimates adjusted for future rate increases.
- Recycled water sales are projected at $350,000 per year starting 2019/20, in line with recent historical results.
- The projections assume the District allocates some of its discretionary property tax revenues to help fund Facilities Plan capital improvements including approximately $1.3 million in 2018/19, $500,000 in 2019/20, and $200,000 per year thereafter.
- Interest earnings are based on 2% of beginning fund reserves in 2019/20 and 1% of beginning fund reserves in future years.
- For financial planning purposes, the projections do not assume any future growth. The financial impacts of growth will be accounted for in future updates of the cash flow projections.

Expense Assumptions

- Operating expenses are based primarily on the 2-year budget for fiscal years 2018/19 and 2019/20, and include an additional $50,000 per year for equipment and capital outlay for small repairs starting 2020/21.
- Operating cost inflation projected at 3% for salaries, 5% for benefits, and 3% for other operating expenses.
- Capital improvement expenses are based on engineering cost estimates developed by Dudek in the 2018 Facilities Plan adjusted to account for projected 3% construction cost inflation.

The following chart shows projected revenues compared with a breakdown of projected expenses over the next decade. The projections assume the District will partially draw down fund reserves to help fund an elevated level of capital improvements through 2023/24 while sewer rates increases are gradually phased in. Subsequently, the projected rate increases support balanced budgets in future years.

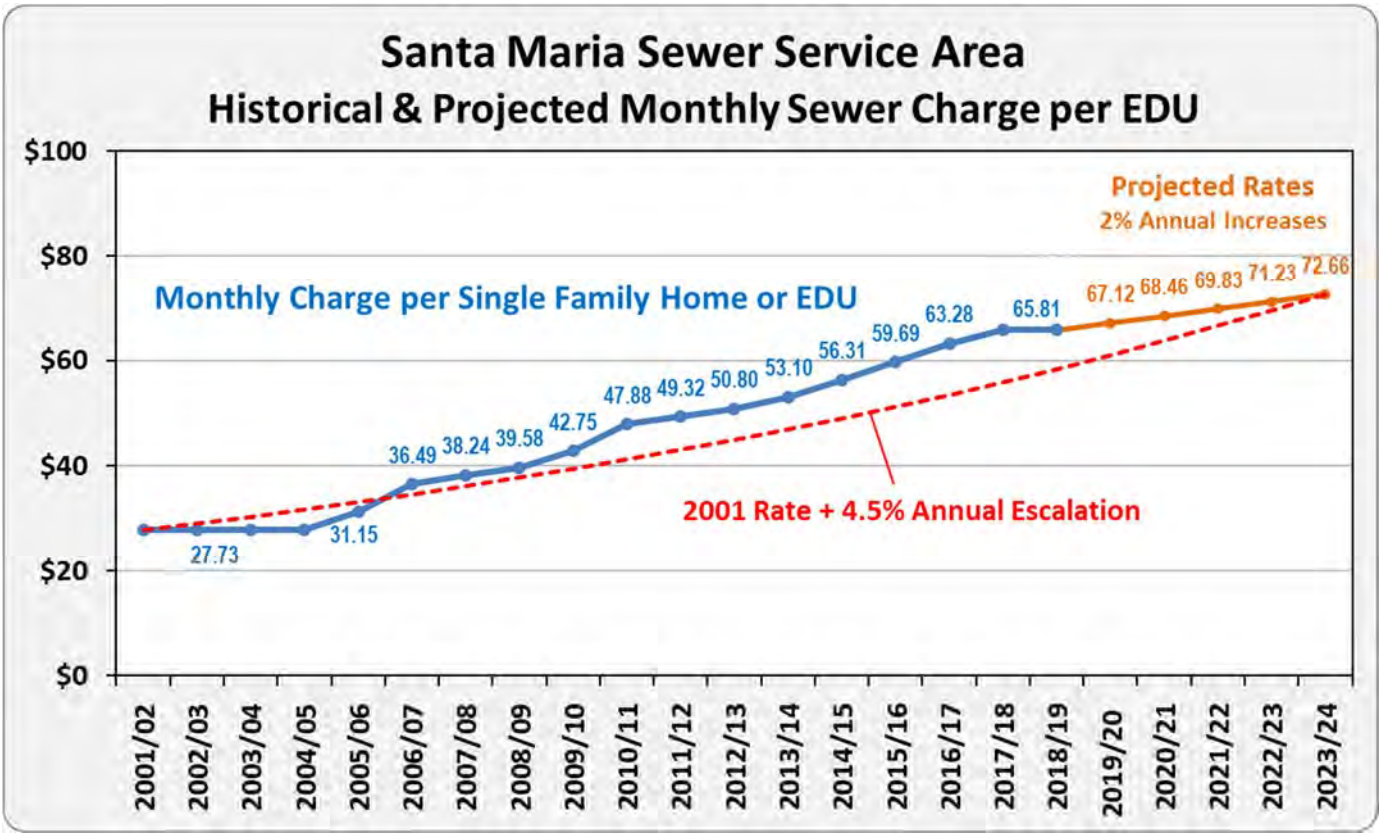


6. Rate Projections

The financial projections indicate the need for 2% annual rate increases each year for the next 5 years to fund the costs of providing service. The following table shows projected annual sewer service charges for the Santa Maria Sewer Service Area along with the monthly equivalent charge.

Projected Sewer Service Charges						
	Current Annual Charge	Projected Annual Sewer Service Charges Effective Fiscal Year Ending June 30				
		2020	2021	2022	2023	2024
Projected Rate Increase		2.0%	2.0%	2.0%	2.0%	2.0%
Santa Maria Sewer Service Area						
Annual Charge per EDU	$789.67	$805.46	$821.57	$838.00	$854.76	$871.86
Monthly Equivalent	65.81	67.12	68.46	69.83	71.23	72.66
Monthly Increase		1.32	1.34	1.37	1.40	1.43

The following chart shows historical and projected sewer service charges on a monthly basis from fiscal years 2001/02 through 2023/24. With 5 years of proposed rate increases, the sewer service charge for the Santa Maria Sewer Service Area will be equal to the charge levied in 2001/02 escalated at the annual rate of approximately 4.5%.



7. Sewer Rate Structure

The District levies sewer service charges on the basis of Equivalent Dwelling Units (EDUs). EDU classification is based on the District Legislative Code, quantifying the wastewater conveyance, treatment and disposal requirements of each parcel, based on the maximum wastewater flow and strength of the type(s) of wastewater-generating uses on each parcel. One EDU represents the wastewater flow and strength requirements and system capacity needs of a standard single-family residential dwelling unit within each Sewer Service Area. Multi-Family Residential and Non-Residential uses are typically multiples of this EDU definition, equating to the maximum wastewater production of the parcel. Property owners may request re-evaluation of the EDU calculation of a parcel at any time, in accordance with the District Legislative Code. The Santa Maria Sewer Service Area currently serves approximately 4,300 EDUs.

Single family homes and multi-family dwelling units with two or more bedrooms are defined to be one EDU. Multi-family and accessory dwelling units with less than two bedrooms are calculated to be less than one EDU, based on their maximum wastewater generation rate as compared to a single-family dwelling unit. Commercial property EDUs are calculated based on their estimated wastewater loadings (flow and strength) for each customer type based on specific land use factors, such as square footage, number of washing machines, number of students, or other land use dependent factors. The District has more than 20 commercial EDU classifications. District EDU classifications are within industry standards and equitably recover costs from the District's wastewater customer base, within each of the sewer service areas.

APPENDIX A

Santa Maria Sewer Service Area
Sewer Rate Study

Tables & Charts

Table 1
Ramona Municipal Water District
Historical Sewer Rates

Effective Date	7/1/07	7/1/08	7/1/09	7/1/10	10/25/11	7/1/12	7/1/13	7/1/14	7/1/15	7/1/16	7/1/17
Santa Maria Sewer Service Area											
Annual Charge per EDU	$458.93	$474.99	$512.99	$574.55	$591.79	$609.55	$637.22	$675.77	$716.32	$759.30	$789.67
Monthly Equivalent	38.24	39.58	42.75	47.88	49.32	50.80	53.10	56.31	59.69	63.28	65.81
Percent Change	*4.8%*	*3.5%*	*8.0%*	*12.0%*	*3.0%*	*3.0%*	*4.5%*	*6.0%*	*6.0%*	*6.0%*	*4.0%*

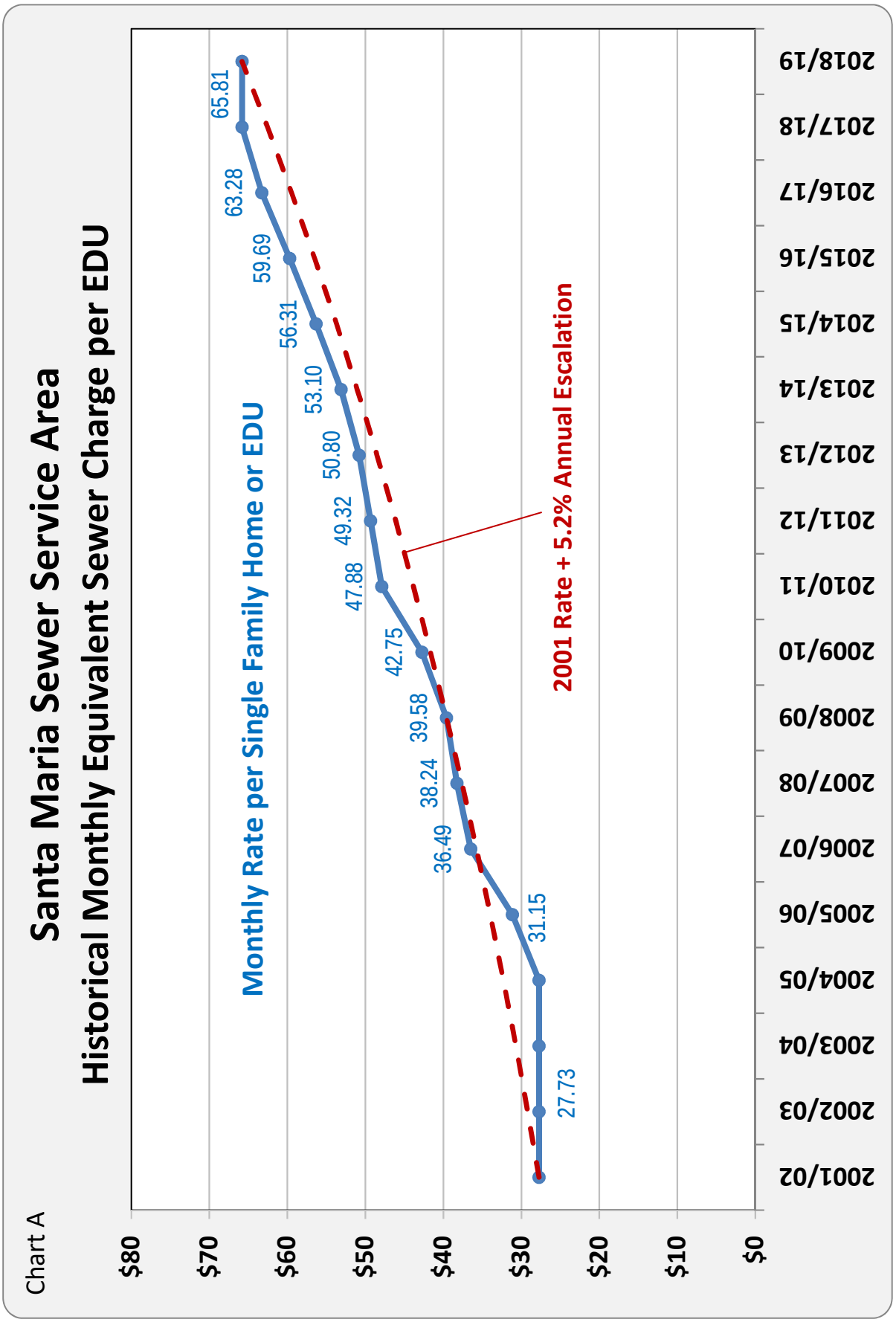


Chart A
Santa Maria Sewer Service Area
Historical Monthly Equivalent Sewer Charge per EDU
Monthly Rate per Single Family Home or EDU
2001 Rate + 5.2% Annual Escalation
65.81
63.28
59.69
56.31
53.10
50.80
49.32
47.88
42.75
39.58
38.24
36.49
31.15
27.73
$80
$70
$60
$50
$40
$30
$20
$10
$0
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19

Table 2
Ramona Municipal Water District
Santa Maria Sewer Service Area
Capital Improvement Program

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
SANTA MARIA WASTEWATER TREATMENT PLANT IMPROVEMENTS											
Effluent Transmission Pipeline	3,500,000	-	-	-	-	-	-	-	-	-	3,500,000
Clarifier No. 3 Rehabilitation Project	450,000	-	-	-	-	-	-	-	-	-	450,000
Influent Pump Station & Grit Removal Facilities	400,000	1,500,000	1,500,000	-	-	-	-	-	-	-	3,400,000
Electrical System Improvements	-	-	100,000	790,000	-	-	-	-	-	-	890,000
Recycled Water Pond Rehabilitation Project	-	-	-	75,000	425,000	-	-	-	-	-	500,000
Operations Building & Laboratory	-	-	-	-	50,000	690,000	-	-	-	-	740,000
Total Treatment Plant Improvements	**4,350,000**	**1,500,000**	**1,600,000**	**865,000**	**475,000**	**690,000**	**-**	**-**	**-**	**-**	**9,480,000**
SANTA MARIA SEWER COLLECTION SYSTEM IMPROVEMENTS											
SM Interceptor Trunk Line Rehab/Relocation	-	350,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,350,000
Collection System Infrastructure	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
Sewer Lift Station Rehab Program	-	200,000	300,000	300,000	300,000	-	-	-	-	-	1,100,000
Total Sewer Collection System Improvements	**500,000**	**1,050,000**	**1,300,000**	**1,300,000**	**1,300,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**10,450,000**
5-YEAR CIP TOTAL	**4,850,000**	**2,550,000**	**2,900,000**	**2,165,000**	**1,775,000**	**1,690,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**19,930,000**
Cumulative Total	4,850,000	7,400,000	10,300,000	12,465,000	14,240,000	15,930,000	16,930,000	17,930,000	18,930,000	19,930,000	

Source: Santa Maria Water Relamation Plant & Collection System Facilities Plan June 2018 by Dudek.

Table 3
Ramona Municipal Water District
Santa Maria Sewer Service Area
Capital Improvement Program, Future $

Future Cost with 3% Construction Cost Inflation

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Projected Construction Cost Escalation											
Cost Escalation From Dec-2012 Cost Basis		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Cost Escalation Factor	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	
SANTA MARIA WASTEWATER TREATMENT PLANT IMPROVEMENTS											
Effluent Transmission Pipeline	3,500,000	-	-	-	-	-	-	-	-	-	3,500,000
Clarifier No. 3 Rehabilitation Project	450,000	-	-	-	-	-	-	-	-	-	450,000
Influent Pump Station & Grit Removal Facilities	400,000	1,545,000	1,591,000	-	-	-	-	-	-	-	3,536,000
Electrical System Improvements	-	-	106,000	863,000	-	-	-	-	-	-	969,000
Recycled Water Pond Rehabilitation Project	-	-	-	82,000	478,000	-	-	-	-	-	560,000
Operations Building & Laboratory	-	-	-	-	56,000	800,000	-	-	-	-	856,000
Total Treatment Plant Improvements	**4,350,000**	**1,545,000**	**1,697,000**	**945,000**	**534,000**	**800,000**	**-**	**-**	**-**	**-**	**9,871,000**
SANTA MARIA SEWER COLLECTION SYSTEM IMPROVEMENTS											
SM Interceptor Trunk Line Rehab/Relocation	-	361,000	530,000	546,000	563,000	580,000	597,000	615,000	633,000	652,000	5,077,000
Collection System Infrastructure	500,000	515,000	530,000	546,000	563,000	580,000	597,000	615,000	633,000	652,000	5,731,000
Sewer Lift Station Rehab Program	-	206,000	318,000	328,000	338,000	-	-	-	-	-	1,190,000
Total Sewer Collection System Improvements	**500,000**	**1,082,000**	**1,378,000**	**1,420,000**	**1,464,000**	**1,160,000**	**1,194,000**	**1,230,000**	**1,266,000**	**1,304,000**	**11,998,000**
5-YEAR CIP TOTAL	**4,850,000**	**2,627,000**	**3,075,000**	**2,365,000**	**1,998,000**	**1,960,000**	**1,194,000**	**1,230,000**	**1,266,000**	**1,304,000**	**21,869,000**
Cumulative Total Next 5 Years	4,850,000	7,477,000	10,552,000	12,917,000	14,915,000	16,875,000	18,069,000	19,299,000	20,565,000	21,869,000	

Chart B

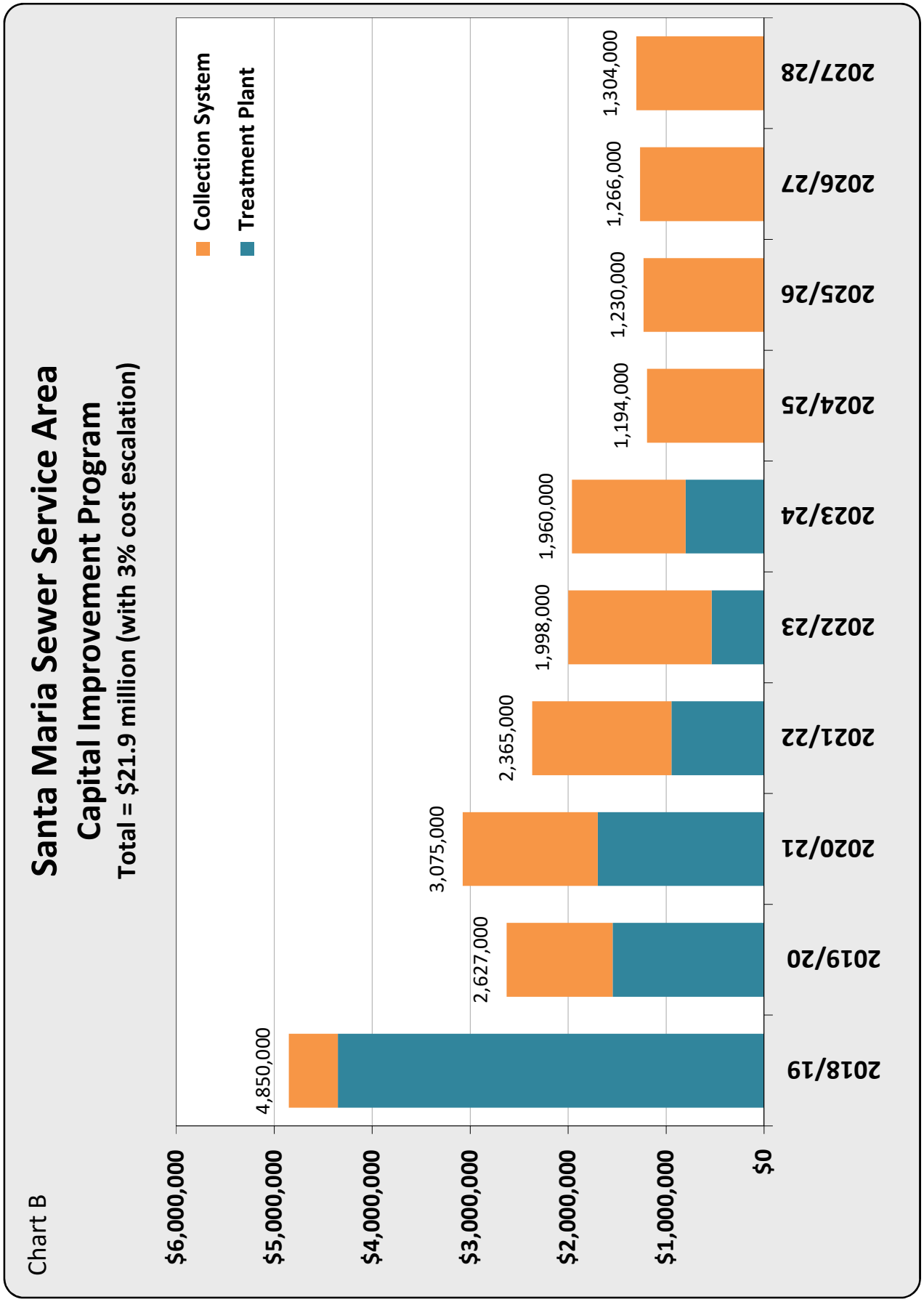

Santa Maria Sewer Service Area
Capital Improvement Program
Total = $21.9 million (with 3% cost escalation)
Collection System
Treatment Plant
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
4,850,000
2,627,000
3,075,000
2,365,000
1,998,000
1,960,000
1,194,000
1,230,000
1,266,000
1,304,000
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
2024/25
2025/26
2026/27
2027/28

Table 4
Ramona Municipal Water District
Santa Maria Sewer Service Area
Fund Reserves

	Fund Reserves June 30, 2018
Fund 05 - Operating	$4,637,454
Fund 15 - Capital Improvement Projects	2,324,677
Less Restricted Fees	(538,163)
Subtotal	1,786,514
Fund 25 - Capital Replacement Projects	4,966,351
Total Fund Reserve Balance	**11,390,319**

Note: Includes funds accumulating for capital improvement projects.

Table 5
Ramona Municipal Water District
Santa Maria Sewer Service Area
Operating Expenses

	2017/18 Actual	2018/19 Budget	2019/20 Budget
OPERATING EXPENSES			
Treatment Division			
Personnel	492,622	493,000	527,000
Operations & Maintenance	630,803	644,000	659,000
Subtotal Treatment	1,123,425	1,137,000	1,186,000
Collection Division			
Personnel	244,844	280,000	300,000
Operations & Maintenance	178,379	238,000	245,000
Subtotal Collection	423,223	518,000	545,000
General Administration Division			
Personnel	109,514	113,000	120,000
Operations & Maintenance	9,281	0	0
Subtotal General Administration	118,795	113,000	120,000
Interfund Transfers			
Board of Directors	2,310	55,000	57,000
General Manager	76,069	68,000	71,000
Engineering	81,922	93,000	94,000
Finance	207,936	214,000	234,000
Admin Services	239,646	241,000	254,000
Subtotal Interfund Transfers	607,883	671,000	710,000
Total Operating Expenses	2,273,326	2,439,000	2,561,000
Functional Summary			
Personnel	846,980	886,000	947,000
Operations & Maintenance	818,463	882,000	904,000
Debt Repayment	0	0	0
Interfund Transfers	607,883	671,000	710,000
Subtotal	2,273,326	2,439,000	2,561,000

Note: Expenditures exclude depreciation, which is an accounting entry but not a cash expense.

Table 6 - Santa Maria Sewer Service Area Financial Projections

	Esc %	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rate Increase %		0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sewer Charge per EDU		$789.67	$805.46	$821.57	$838.00	$854.76	$871.86	$889.30	$907.09	$925.23	$943.73
Monthly Equivalent		*$65.81*	*$67.12*	*$68.46*	*$69.83*	*$71.23*	*$72.66*	*$74.11*	*$75.59*	*$77.10*	*$78.64*
Est. Growth %			0%	0%	0%	0%	0%	0%	0%	0%	0%
Interest Earnings			2.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Beginning Fund Reserves (All Funds)		$11,390,000	$9,334,000	$8,712,000	$7,179,000	$6,324,000	$5,808,000	$5,304,000	$5,539,000	$5,716,000	$5,834,000
REVENUES											
Sewer Service Charges		3,440,000	3,509,000	3,579,000	3,651,000	3,724,000	3,798,000	3,874,000	3,951,000	4,030,000	4,111,000
Recycled Water Sales		320,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Property Tax Allocation (Discretionary)		1,316,000	500,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Investment Earnings		137,000	187,000	87,000	72,000	63,000	58,000	53,000	55,000	57,000	58,000
Other/Miscellaneous		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total		5,233,000	4,566,000	4,236,000	4,293,000	4,357,000	4,426,000	4,497,000	4,576,000	4,657,000	4,739,000
EXPENSES											
Operating & Maintenance											
Salaries	3.0%	566,000	605,000	623,000	642,000	661,000	681,000	701,000	722,000	744,000	766,000
Benefits	5.0%	320,000	342,000	359,000	377,000	396,000	416,000	437,000	459,000	482,000	506,000
Operations & Maintenance	3.0%	882,000	904,000	931,000	959,000	988,000	1,018,000	1,049,000	1,080,000	1,112,000	1,145,000
Equipment/Capital Outlay	3.0%	0	0	50,000	52,000	54,000	56,000	58,000	60,000	62,000	64,000
General & Admin Transfers	3.0%	671,000	710,000	731,000	753,000	776,000	799,000	823,000	848,000	873,000	899,000
Subtotal		2,439,000	2,561,000	2,694,000	2,783,000	2,875,000	2,970,000	3,068,000	3,169,000	3,273,000	3,380,000
Capital Projects											
Treatment Plant Improvements		4,350,000	1,545,000	1,697,000	945,000	534,000	800,000	0	0	0	0
Collection System Improvements		500,000	1,082,000	1,378,000	1,420,000	1,464,000	1,160,000	1,194,000	1,230,000	1,266,000	1,304,000
Subtotal		4,850,000	2,627,000	3,075,000	2,365,000	1,998,000	1,960,000	1,194,000	1,230,000	1,266,000	1,304,000
Total Expenses		7,289,000	5,188,000	5,769,000	5,148,000	4,873,000	4,930,000	4,262,000	4,399,000	4,539,000	4,684,000
Revenues Less Expenses		(2,056,000)	(622,000)	(1,533,000)	(855,000)	(516,000)	(504,000)	235,000	177,000	118,000	55,000
Ending Fund Reserves		9,334,000	8,712,000	7,179,000	6,324,000	5,808,000	5,304,000	5,539,000	5,716,000	5,834,000	5,889,000

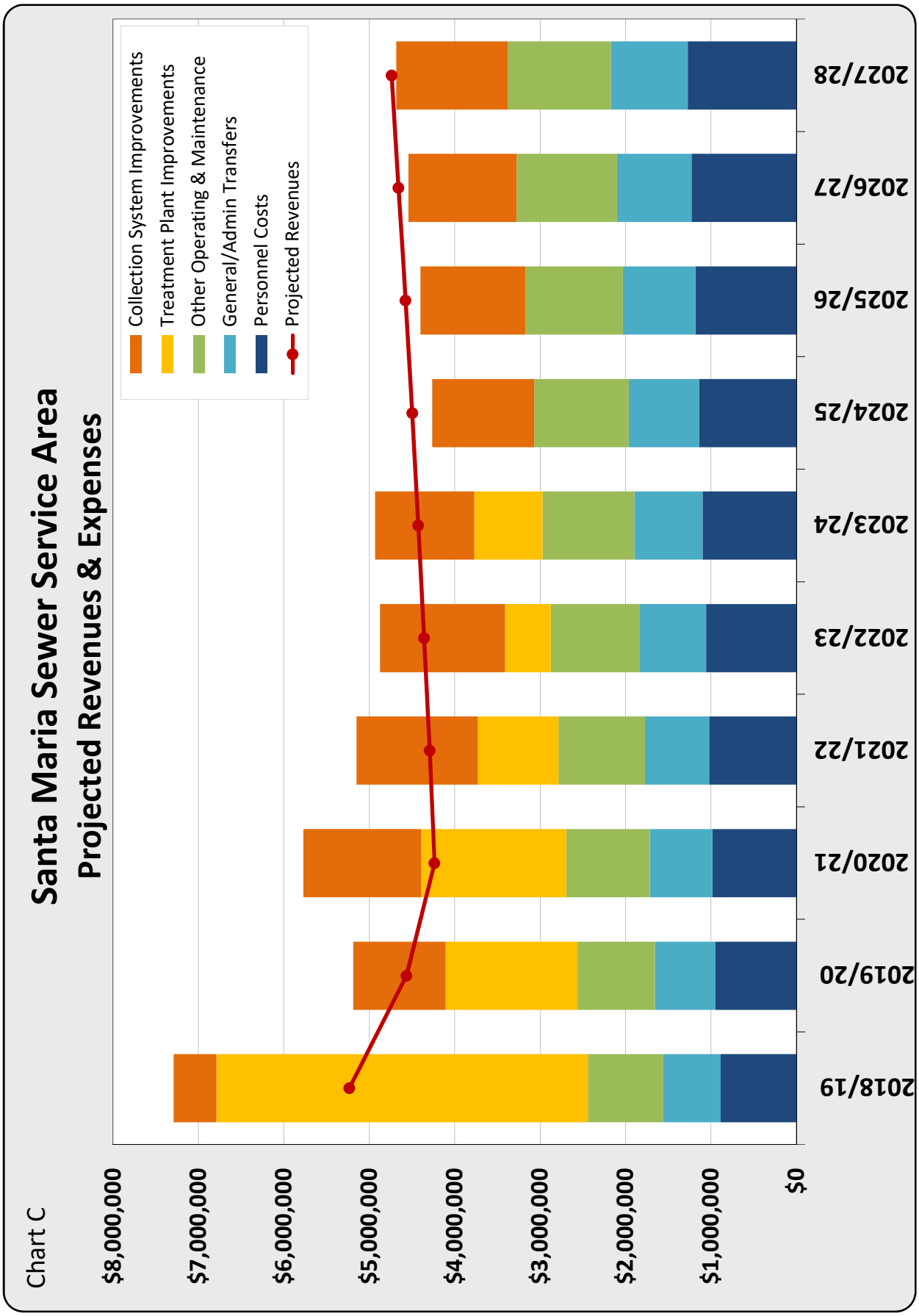


Chart C
Santa Maria Sewer Service Area
Projected Revenues & Expenses
Collection System Improvements
Treatment Plant Improvements
Other Operating & Maintenance
General/Admin Transfers
Personnel Costs
Projected Revenues
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
2024/25
2025/26
2026/27
2027/28

Table 7
Ramona Municipal Water District
Santa Maria Sewer Service Area
5-Year Sewer Rate Projection

Effective Date	Current Sewer Rate	Projected Rates Effective				
		July 1 2019	July 1 2020	July 1 2021	July 1 2022	July 1 2023
Projected Rate Increase		2.0%	2.0%	2.0%	2.0%	2.0%
Santa Maria Sewer Service Area						
Annual Charge per EDU	$789.67	$805.46	$821.57	$838.00	$854.76	$871.86
Monthly Equivalent	65.81	67.12	68.46	69.83	71.23	72.66
Monthly Increase		1.32	1.34	1.37	1.40	1.43

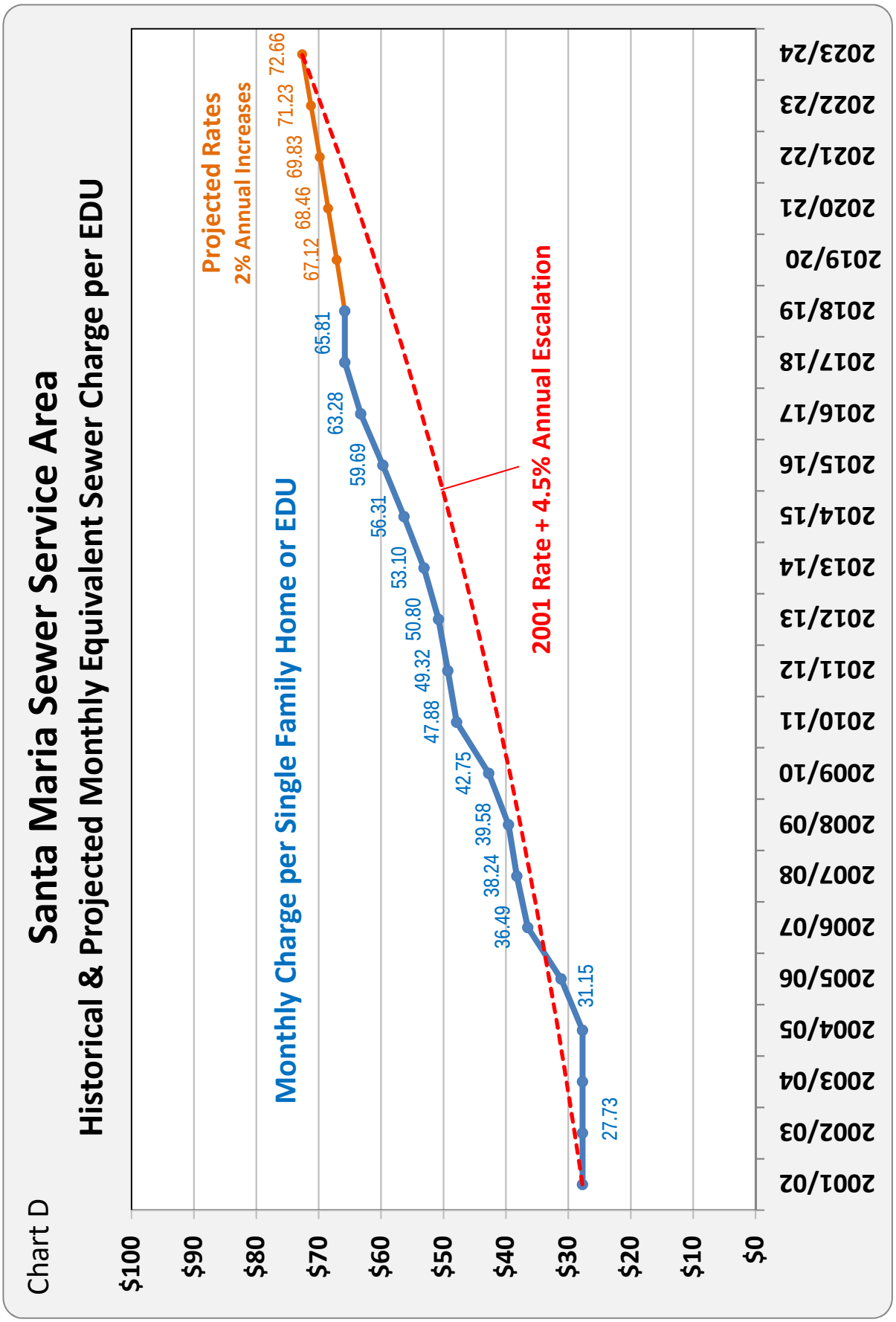


Chart D
Santa Maria Sewer Service Area
Historical & Projected Monthly Equivalent Sewer Charge per EDU
Projected Rates
2% Annual Increases
Monthly Charge per Single Family Home or EDU
2001 Rate + 4.5% Annual Escalation
72.66
71.23
69.83
68.46
67.12
65.81
63.28
59.69
56.31
53.10
50.80
49.32
47.88
42.75
39.58
38.24
36.49
31.15
27.73
$100
$90
$80
$70
$60
$50
$40
$30
$20
$10
$0
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24

Ramona Municipal Water District

San Vicente Sewer Service Area
Sewer Rate Study

April 2019

BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Ramona Municipal Water District

San Vicente Sewer Service Area
Sewer Rate Study

April 29, 2019

Prepared by:

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April 29, 2019

Ramona Municipal Water District
105 Earlham Street
Ramona, California 92065

Re: San Vicente Sewer Service Area Sewer Rate Study

Bartle Wells Associates is pleased to submit the attached *San Vicente Sewer Service Area Sewer Rate Study*. The study develops updated financial and sewer rate projections for the San Vicente Sewer Service Area and recommends adoption of 1.5% annual sewer rate increases in upcoming years.

The proposed rates are designed to fund the costs of operating and maintaining the wastewater system and adequately fund capital improvement needs identified in the recently-updated *San Vicente Sewer Service Area Wastewater Reclamation Plant & Collection System Facilities Plan*, and equitably recover costs from all customers.

I enjoyed working with the District on this assignment and appreciate the assistance and input received from the District during development of this study. Please contact me anytime if you have questions about the recommendations in this report or other issues regarding utility rates and finances.

Sincerely,

BARTLE WELLS ASSOCIATES

Alex T. Handlers
Principal/Vice-President

Table of Contents

Appendix A – Tables & Charts

San Vicente Sewer Service Area
Sewer Rate Study

1. Background

The Ramona Municipal Water District provides water, sewer, recycled water, fire protection, emergency medical services and park services to customers in and around the community of Ramona. The District is located in San Diego County approximately 30 miles northeast of the City of San Diego. The District was formed in 1956 and is governed by a five-member Board of Directors.

The District provides wastewater service to two separate service areas including a) the San Vicente Sewer Service Area which serves parcels located mostly in San Diego Country Estates and the Rancho San Vicente/Ryland Homes development, and b) the Santa Maria Sewer Service Area which serves parcels located mostly in the downtown Ramona area and the Mt. Woodson development. Each sewer service area is served by a separate collection system and wastewater treatment plant and is accounted for as its own financially self-supporting enterprise. The District establishes separate charges for the San Vicente and Santa Maria Sewer Service Areas based on the costs of providing wastewater service to each service area.

The San Vicente Wastewater Service Area is primarily residential and has a current population of a little over 10,000. Wastewater facilities were originally installed to provide service to San Diego Country Estates, a planned community initially developed in the 1970s that includes the San Vicente Resort and Golf Course.

The San Vicente Water Reclamation Plant was originally constructed with a capacity of 0.25 mgd in 1975 and has been expanded multiple times to its current capacity of 0.80 mgd. The treatment plant produces tertiary effluent which is used to provide recycled water to the San Vicente Golf Course and for agricultural irrigation.

San Vicente Sewer Service Area collection system infrastructure include approximately 43 miles of sewer collection system pipelines and one sewer lift station. Many of the District's sewer pipelines were installed over 40 years ago and are in need of replacement, upsizing, and/or rehabilitation.

2. Rate Study Objectives

Bartle Wells Associates (BWA) has assisted the District with development of wastewater enterprise financial plans and rate analysis since 2013. BWA was initially retained by the District via a competitive RFP process to develop a comprehensive sewer rate study for the Santa Maria Sewer Service Area in 2013 and subsequently developed a comprehensive sewer rate study for the San

Vicente Sewer Service Area in 2014. Key objectives of the current Sewer Rate Study include developing an updated financial plan and rate recommendations that achieve the following objectives:

1. Develop sewer rate recommendations designed to:
    a. Recover the San Vicente Service Areas' projected costs of providing service
    b. Provide adequate funding for capital needs including high-priority treatment plant and collection system improvements and infrastructure rehabilitation identified in the 2018 Facilities Plan
    c. Comply with the legal requirements of Proposition 218
2. Aim for steady, gradual annual rate increases to help minimize the annual impact on customers and avoid the need for larger periodic rate spikes
3. Use pay-as-you-go cash funding for capital improvements to the extent financially prudent
4. Maintain a prudent level of fund reserves
5. Support long-term financial stability

The proposed rate increases developed in this study are applied on an across-the-board basis to the District's existing sewer rates and maintain the rate structure developed in the 2014 San Vicente Sewer Service Area Sewer Rate Study, which is incorporated herein by reference.

3. Finances & Rates

The San Vicente Sewer Service Area is a financially self-supporting enterprise. Sewer service charges are the main source of revenue. As such, sewer rates must be set at adequate levels to support the costs of providing service including operating, maintenance and capital improvement needs.

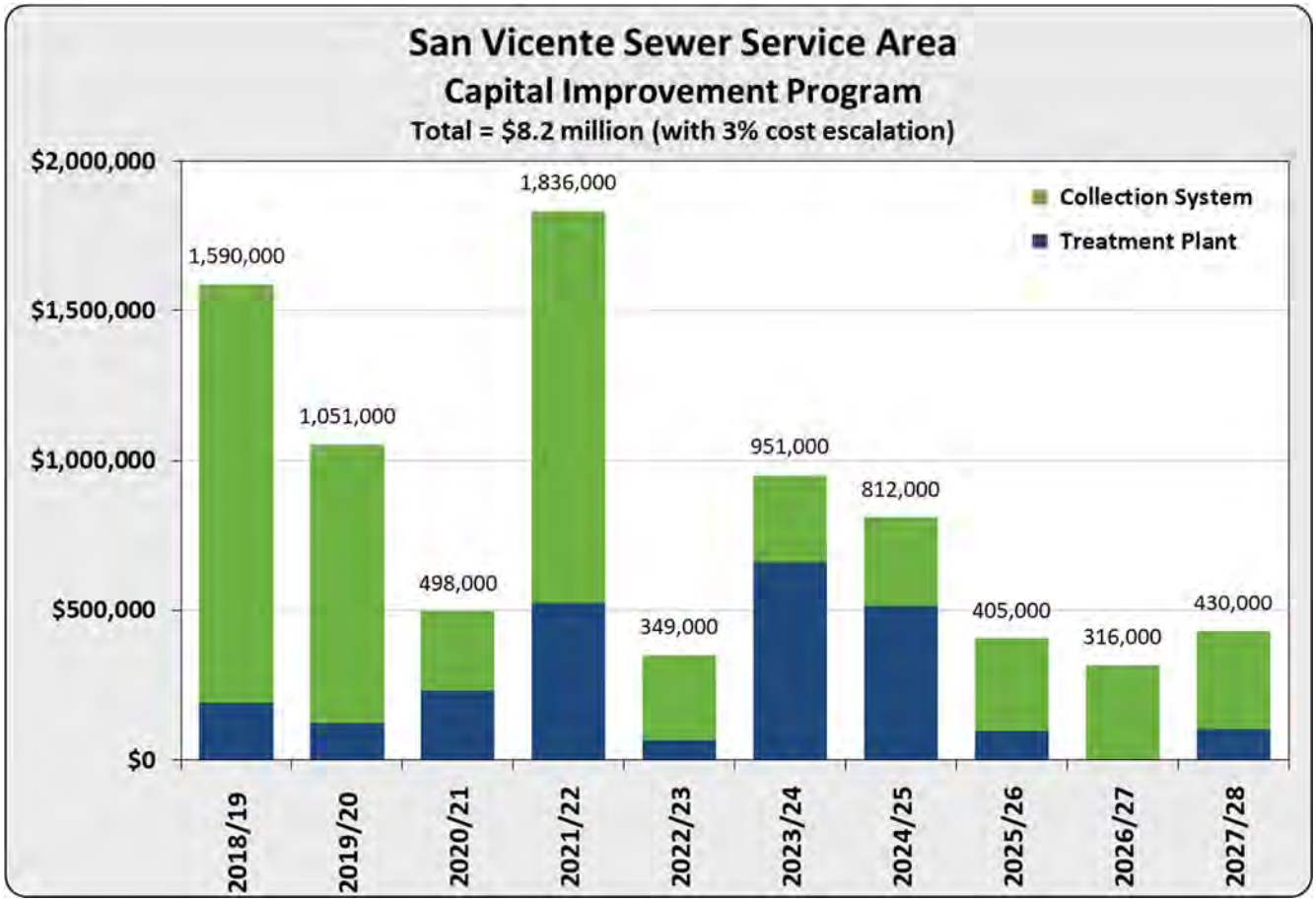
The District has engaged in proactive financial stewardship by gradually raising sewer rates most years over the past two decades to keep revenues in line with the cost of providing service. The gradual rate increases have enabled the District to meet annual funding needs and avoid the need for large rate spikes. Rates were last increased effective July 1, 2017 as no rate increase was implemented in the current fiscal year.

Since 2001, sewer service charges for the San Vicente Sewer Service Area have increased at an average annual rate of 6.4%. Over the past 5 fiscal years, rates have increased at an average rate of 4.6% per year. The District's sewer service charges are billed annually per fiscal year, which runs from July 1 through June 30. Annual sewer service charges for most customers are billed and collected on the County's property tax bills.

4. Facilities Plan & Capital Funding Needs

In 2018, Dudek – the District's consulting engineering firm – updated and the Board adopted a *Water Reclamation Plant & Collection System Facilities Plan* for the San Vicente Sewer Service Area based on an engineering evaluation of District facilities. The Facilities Plan identifies capital improvements needed to address existing system deficiencies, rehabilitate aging infrastructure that has reached the end of its useful life, and support safe and reliable service.

The 2018 Facilities Plan identifies $7.5 million (current dollars) of capital improvement needs over the next 10 years including $5.9 million (current dollars) of near-term needs in the current and next 5 fiscal years. With projected 3% construction cost inflation, capital improvement costs are projected to total $8.2 million over the decade including $6.3 million through the end of the next 5 fiscal years.



The District anticipates funding its capital needs on a pay-as-you-go cash basis, without need for debt using a combination of fund reserves, revenues generated from current and projected sewer rates, and partial cash contribution from the District's discretionary use of property tax revenues. Financial projections indicated that the District will need to continue adopting small, gradual rate increases to support projected operating and capital improvement expenses.

5. Financial Projections

BWA developed 10-year financial projections for the San Vicente Sewer Service Area to evaluate annual revenue requirements and project rate increases. The financial projections are based on the latest information available, District input, and a number of reasonable and slightly-conservative assumptions. Key assumptions include:

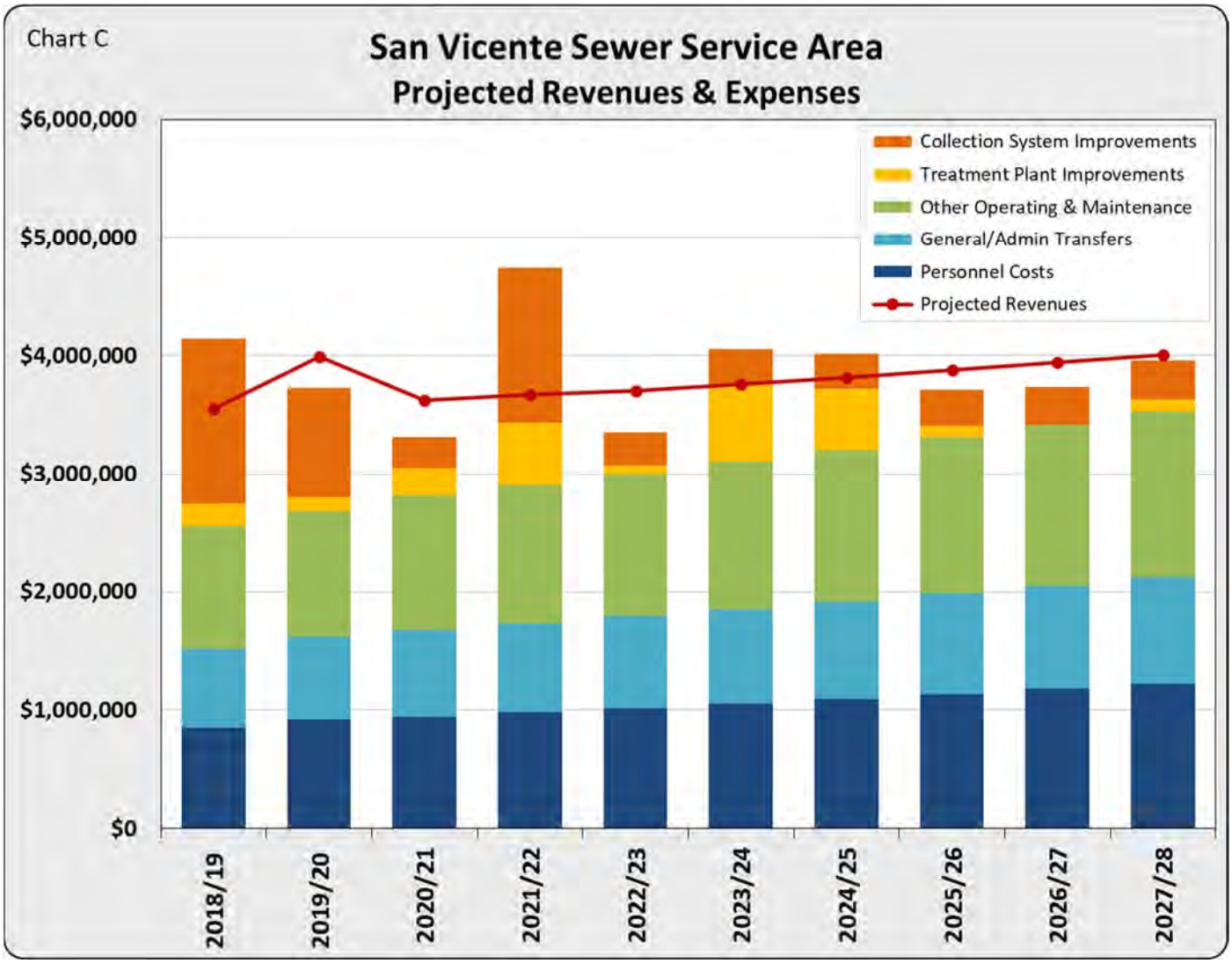
Revenues Assumptions

- Sewer service charge revenues are based on current year revenue estimates adjusted for future rate increases.
- Recycled water sales are projected at $60,000 in 2018/19, increasing to $500,000 in 2019/20, and then streamlining to $350,000 in future years.
- The projections assume the District allocates some of its discretionary property tax revenues to help fund Facilities Plan capital improvements including approximately $400,000 in 2018/19 and 2019/20, and $200,000 per year thereafter.
- Interest earnings are based on 2% of beginning fund reserves in 2019/20 and 1% of beginning fund reserves in future years.
- For financial planning purposes, the projections do not assume any future growth. The financial impacts of growth will be accounted for in future updates of the cash flow projections.

Expense Assumptions

- Operating expenses are based primarily on the 2-year budget for fiscal years 2018/19 and 2019/20, and include an additional $50,000 per year for equipment and capital outlay for small repairs starting 2020/21.
- Operating cost inflation projected at 3% for salaries, 5% for benefits, and 3% for other operating expenses.
- Capital improvement expenses are based on engineering cost estimates developed by Dudek in the 2018 Facilities Plan adjusted to account for projected 3% construction cost inflation.

The following chart shows projected revenues compared with a breakdown of projected expenses over the next decade. The projections assume the District will partially draw down fund reserves to help fund an elevated level of capital improvements through 2023/24 while sewer rates increases are gradually phased in. Subsequently, the projected rate increases support balanced budgets in future years.

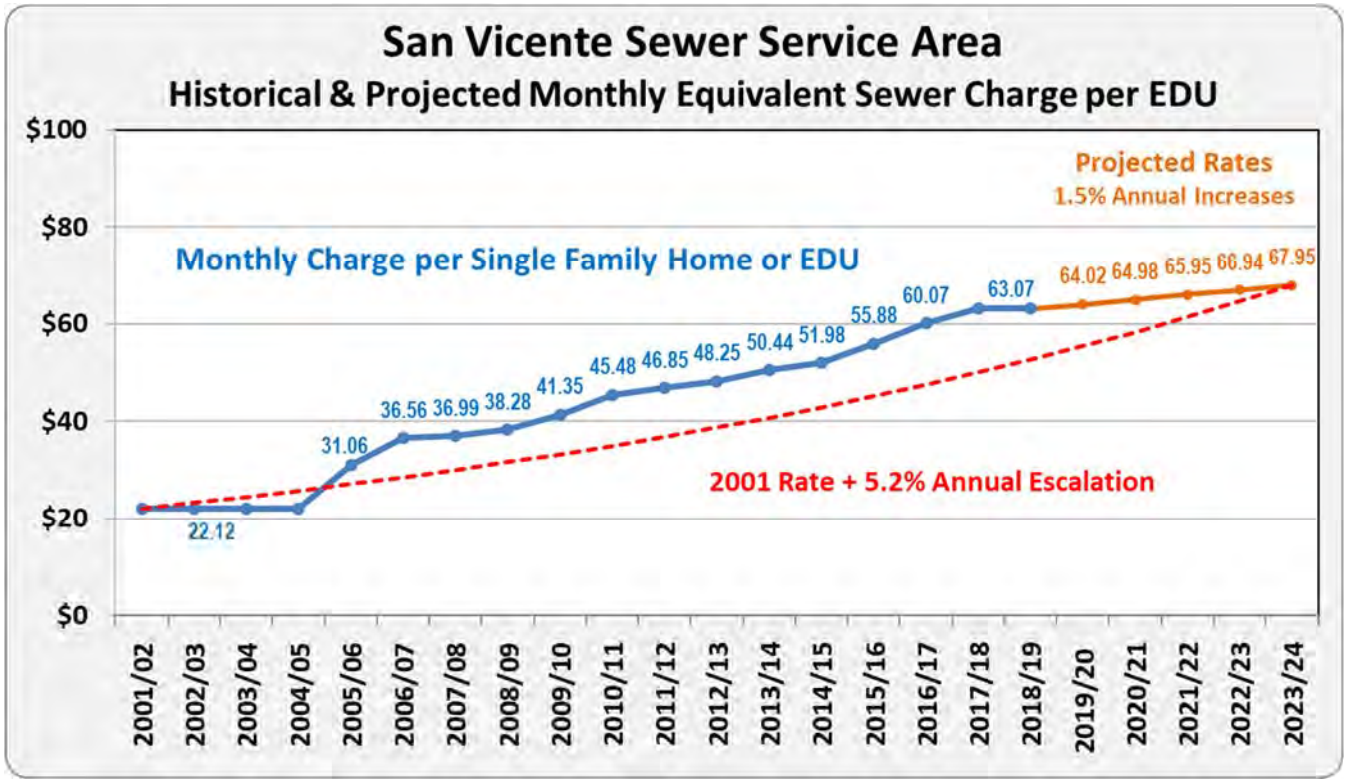


6. Rate Projections

The financial projections indicate the need for 1.5% annual rate increases each year for the next 5 years to fund the costs of providing service. The following table shows projected annual sewer service charges for the San Vicente Sewer Service Area along with the monthly equivalent charge per Equivalent Dwelling Unit (EDU).

Projected Sewer Service Charges						
	Current Sewer Rate	Projected Annual Sewer Service Charges Effective Fiscal Year Ending June 30				
		2019	2020	2021	2022	2023
Projected Rate Increase		1.5%	1.5%	1.5%	1.5%	1.5%
Santa Maria Sewer Service Area						
Annual Charge per EDU	$756.87	$768.22	$779.74	$791.44	$803.31	$815.36
Monthly Equivalent	63.07	64.02	64.98	65.95	66.94	67.95
Monthly Increase		0.95	0.96	0.97	0.99	1.00

The following chart shows historical and projected sewer service charges on a monthly basis from fiscal years 2001/02 through 2023/24. With 5 years of proposed rate increases, the sewer service charge for the San Vicente Sewer Service Area will be equal to the charge levied in 2001/02 escalated at the annual rate of approximately 5.2%.



7. Sewer Rate Structure

The District levies sewer service charges on the basis of Equivalent Dwelling Units (EDUs). EDU classification is based on the District Legislative Code, quantifying the wastewater conveyance, treatment and disposal requirements of each parcel, based on the maximum wastewater flow and strength of the type(s) of wastewater-generating uses on each parcel. One EDU represents the wastewater flow and strength requirements and system capacity needs of a standard single-family residential dwelling unit within each Sewer Service Area. Multi-Family Residential and Non-Residential uses are typically multiples of this EDU definition, equating to the maximum wastewater production of the parcel. Property owners may request re-evaluation of the EDU calculation of a parcel at any time, in accordance with the District Legislative Code. The San Vicente Sewer Service Area currently serves approximately 3,700 EDUs.

Single family homes and multi-family dwelling units with two or more bedrooms are defined to be one EDU. Multi-family and accessory dwelling units with less than two bedrooms are calculated to be less than one EDU, based on their maximum wastewater generation rate as compared to a single-family dwelling unit. Commercial property EDUs are calculated based on their estimated wastewater loadings (flow and strength) for each customer type based on specific land use factors, such as square footage, number of washing machines, number of students, or other land use dependent factors. The District has more than 20 commercial EDU classifications. District EDU classifications are within industry standards and equitably recover costs from the District's wastewater customer base, within each of the sewer service areas.

APPENDIX A

San Vicente Sewer Service Area

Sewer Rate Study

Tables & Charts

Table 1
Ramona Municipal Water District
San Vicente Sewer Service Area
Historical Sewer Rates

Effective Date	7/1/07	7/1/08	7/1/09	7/1/10	10/25/11	7/1/12	7/1/13	7/1/14	7/1/15	7/1/16	7/1/17
San Vicente Sewer Service Area											
Annual Charge per EDU	$443.87	$459.41	$496.16	$545.78	$562.15	$579.02	$605.30	$623.76	$670.54	$720.83	$756.87
Monthly Equivalent	36.99	38.28	41.35	45.48	46.85	48.25	50.44	51.98	55.88	60.07	63.07
Percent Change	*1.2%*	*3.5%*	*8.0%*	*10.0%*	*3.0%*	*3.0%*	*4.5%*	*3.0%*	*7.5%*	*7.5%*	*5.0%*

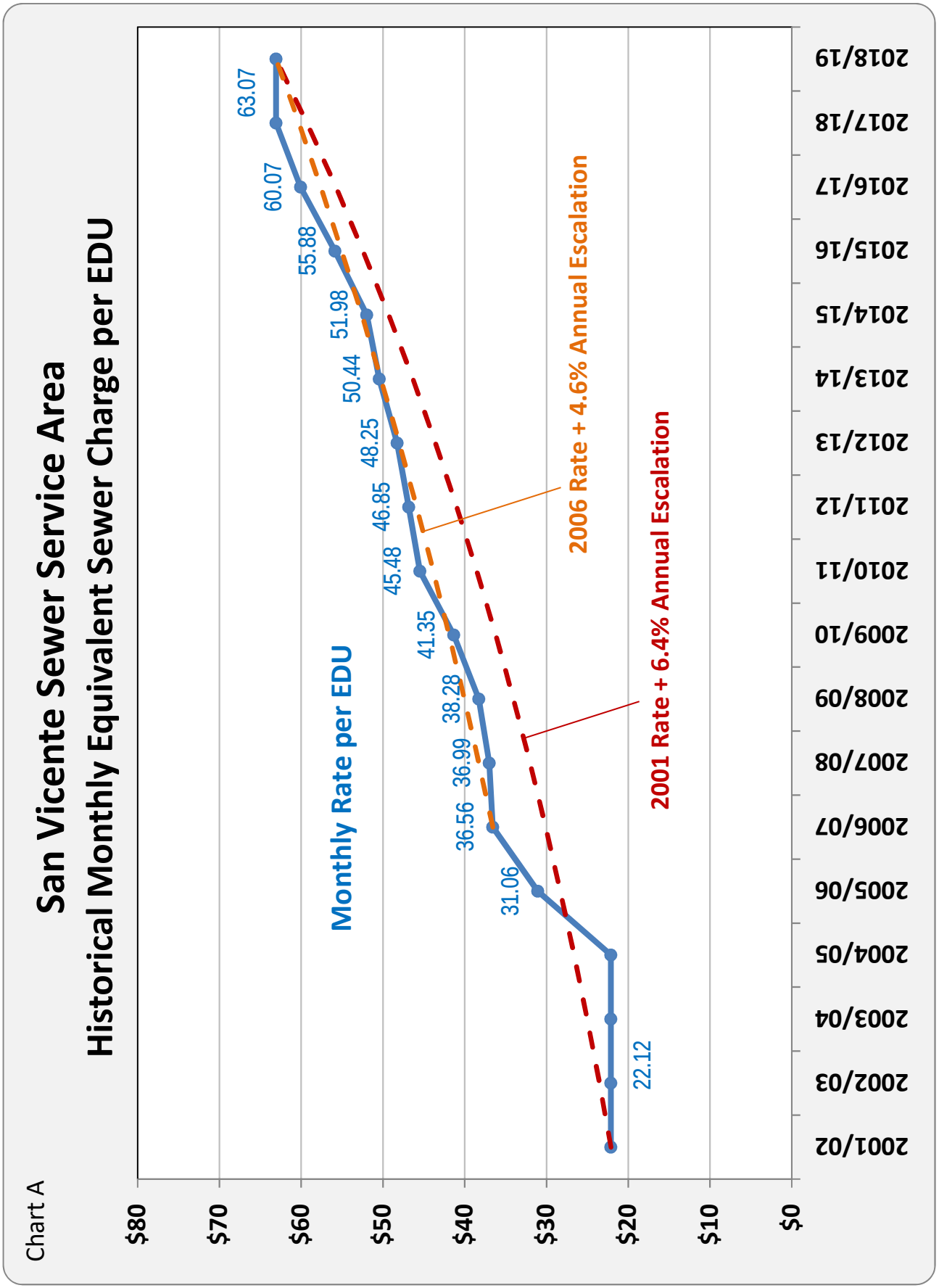


Chart A
San Vicente Sewer Service Area
Historical Monthly Equivalent Sewer Charge per EDU
$80
$70
$60
$50
$40
$30
$20
$10
$0
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19
63.07
60.07
55.88
51.98
50.44
48.25
46.85
45.48
41.35
38.28
36.99
36.56
31.06
22.12
Monthly Rate per EDU
2006 Rate + 4.6% Annual Escalation
2001 Rate + 6.4% Annual Escalation

Table 2
Ramona Municipal Water District
San Vicente Sewer Service Area
Capital Improvement Program

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
SAN VICENTE WASTEWATER TREATMENT PLANT IMPROVEMENTS											
Solids Handling Study	90,000	-	-	-	-	-	-	-	-	-	90,000
Reverse Osmosis 3 - Brine Reduction Project	25,000	-	-	-	-	-	-	-	-	-	25,000
Oxidation Basin & RAS Station Electric Restor	75,000	-	-	-	-	-	-	-	-	-	75,000
Grit Removal System	-	40,000	120,000	-	-	-	-	-	-	-	160,000
UF & RO Membranes	-	80,000	-	80,000	-	80,000	-	80,000	-	80,000	400,000
Headworks Rehabilitation	-	-	100,000	400,000	-	-	-	-	-	-	500,000
Clarifier No. 3 Rehabilitation	-	-	-	-	60,000	430,000	-	-	-	-	490,000
Clarifier No. 4 Rehabilitation	-	-	-	-	-	60,000	430,000	-	-	-	490,000
Total Treatment Plant Improvements	**190,000**	**120,000**	**220,000**	**480,000**	**60,000**	**570,000**	**430,000**	**80,000**	**-**	**80,000**	**2,230,000**
SAN VICENTE SEWER COLLECTION SYSTEM IMPROVEMENTS											
Rio Verde Sewer Replacement Project	300,000	-	-	950,000	-	-	-	-	-	-	1,250,000
Collection System Infrastructure	1,000,000	700,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	3,300,000
Manhole Rehab Program	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Sewer Lift Station Rehab Program	50,000	150,000	-	-	-	-	-	-	-	-	200,000
Total Sewer Collection System Improvements	**1,400,000**	**900,000**	**250,000**	**1,200,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**5,250,000**
5-YEAR CIP TOTAL	**1,590,000**	**1,020,000**	**470,000**	**1,680,000**	**310,000**	**820,000**	**680,000**	**330,000**	**250,000**	**330,000**	**7,480,000**
Cumulative Total Next 5 Years	1,590,000	2,610,000	3,080,000	4,760,000	5,070,000	5,890,000	6,570,000	6,900,000	7,150,000	7,480,000	

Source: Based on San Vicente Water Relamation Plant & Collection System Facilities Plan June 2018 by Dudek with RMWD adjustments.

Table 3
Ramona Municipal Water District
San Vicente Sewer Service Area
Capital Improvement Program, Future $

Future Cost with 3% Construction Cost Inflation

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Projected Construction Cost Escalation		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Cost Escalation Factor	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	
SAN VICENTE WASTEWATER TREATMENT PLANT IMPROVEMENTS											
Solids Handling Study	90,000	-	-	-	-	-	-	-	-	-	90,000
Reverse Osmosis 3 - Brine Reduction Project	25,000	-	-	-	-	-	-	-	-	-	25,000
Oxidation Basin & RAS Station Electric Restor	75,000	-	-	-	-	-	-	-	-	-	75,000
Grit Removal System	-	41,000	127,000	-	-	-	-	-	-	-	168,000
UF & RO Membranes	-	82,000	-	87,000	-	93,000	-	98,000	-	104,000	464,000
Headworks Rehabilitation	-	-	106,000	437,000	-	-	-	-	-	-	543,000
Clarifier No. 3 Rehabilitation	-	-	-	-	68,000	498,000	-	-	-	-	566,000
Clarifier No. 4 Rehabilitation	-	-	-	-	-	70,000	513,000	-	-	-	583,000
Total San Vicente WRP Improvements	**190,000**	**123,000**	**233,000**	**524,000**	**68,000**	**661,000**	**513,000**	**98,000**	**-**	**104,000**	**2,514,000**
SAN VICENTE SEWER COLLECTION SYSTEM IMPROVEMENTS											
Rio Verde Sewer Replacement Project	300,000	-	-	1,038,000	-	-	-	-	-	-	1,338,000
Collection System Infrastructure	1,000,000	721,000	212,000	219,000	225,000	232,000	239,000	246,000	253,000	261,000	3,608,000
Manhole Rehab Program	50,000	52,000	53,000	55,000	56,000	58,000	60,000	61,000	63,000	65,000	573,000
Sewer Lift Station Rehab Program	50,000	155,000	-	-	-	-	-	-	-	-	205,000
Total Sewer Collection System Improvements	**1,400,000**	**928,000**	**265,000**	**1,312,000**	**281,000**	**290,000**	**299,000**	**307,000**	**316,000**	**326,000**	**5,724,000**
5-YEAR CIP TOTAL	**1,590,000**	**1,051,000**	**498,000**	**1,836,000**	**349,000**	**951,000**	**812,000**	**405,000**	**316,000**	**430,000**	**8,238,000**
Cumulative Total Next 5 Years	1,590,000	2,641,000	3,139,000	4,975,000	5,324,000	6,275,000	7,087,000	7,492,000	7,808,000	8,238,000	

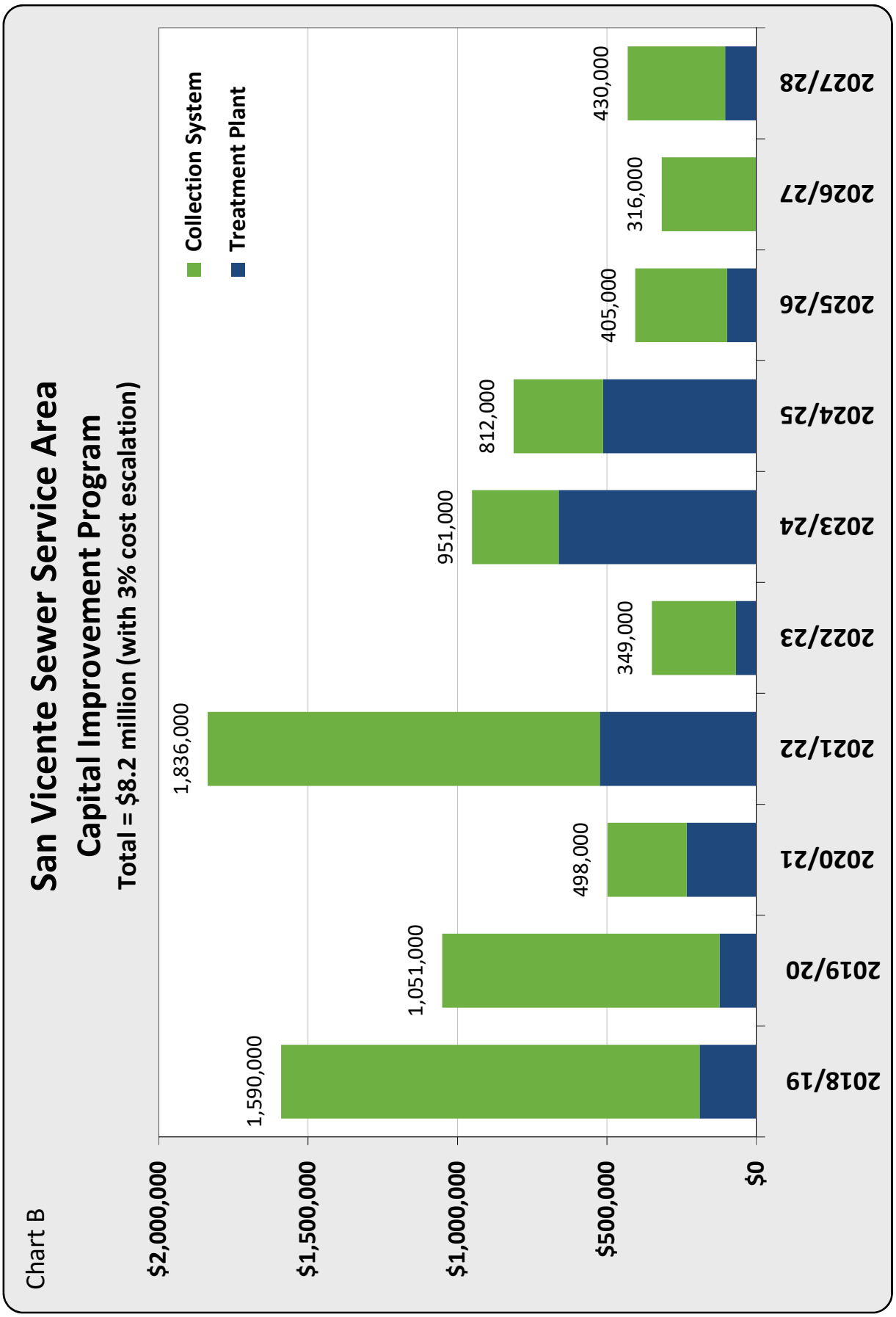


Chart B
San Vicente Sewer Service Area
Capital Improvement Program
Total = $8.2 million (with 3% cost escalation)
Collection System
Treatment Plant
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
1,590,000
1,051,000
498,000
1,836,000
349,000
951,000
812,000
405,000
316,000
430,000
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
2024/25
2025/26
2026/27
2027/28

Table 4
Ramona Municipal Water District
San Vicente Sewer Service Area
Fund Reserves

	Fund Reserves June 30, 2018
Fund 04 - Operating	$2,792,059
Fund 14 - Capital Improvement Projects	286,914
Fund 22 - Capital Replacement Projects	3,883,253
Total Fund Reserve Balance	**6,962,226**

Table 5
Ramona Municipal Water District
San Vicente Sewer Service Area
Budgeted Operating Expenses

	2017/18 Actual	2018/19 Budget	2019/20 Budget
OPERATING EXPENSES			
Treatment Division			
Personnel	316,177	368,000	398,000
Operations & Maintenance	387,620	393,000	401,000
Subtotal Treatment	703,797	761,000	799,000
Collection Division			
Personnel	244,844	280,000	300,000
Operations & Maintenance	132,578	239,000	244,000
Subtotal Collection	377,422	519,000	544,000
Reverse Osmosis			
Personnel	59,696	83,000	91,000
Operations & Maintenance	202,539	408,000	414,000
Subtotal Collection	262,235	491,000	505,000
General Administration Division			
Personnel	109,514	113,000	120,000
Operations & Maintenance	12,918	0	0
Subtotal General Administration	122,432	113,000	120,000
Interfund Transfers			
Board of Directors	2,310	55,000	57,000
General Manager	76,069	68,000	71,000
Engineering	81,922	93,000	94,000
Finance	207,936	214,000	234,000
Admin Services	239,646	241,000	254,000
Subtotal Interfund Transfers	607,883	671,000	710,000
Total Operating Expenses	2,073,769	2,555,000	2,678,000
Functional Summary			
Personnel	730,231	844,000	909,000
Operations & Maintenance	735,655	1,040,000	1,059,000
Capital Outlay/Equipment	0	0	0
Interfund Transfers	607,883	671,000	710,000
Subtotal	2,073,769	2,555,000	2,678,000

Note: Expenditures exclude depreciation, which is an accounting entry but not a cash expense.

Table 6 - San Vicente Sewer Service Area Financial Projections

	Esc %	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rate Increase %		0.0%	1.5%	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%
Sewer Charge per EDU		$720.83	$731.64	$742.61	$753.75	$765.06	$776.54	$792.07	$807.91	$824.07	$840.55
Monthly Equivalent		*$60.07*	*$60.97*	*$61.88*	*$62.81*	*$63.76*	*$64.71*	*$66.01*	*$67.33*	*$68.67*	*$70.05*
Est. Growth %			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Earnings			2.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Beginning Fund Reserves (All Funds)		$6,962,000	$6,372,000	$6,633,000	$6,943,000	$5,871,000	$6,225,000	$5,928,000	$5,727,000	$5,888,000	$6,097,000
REVENUES											
Sewer Service Charges		2,880,000	2,923,000	2,967,000	3,012,000	3,057,000	3,103,000	3,165,000	3,228,000	3,293,000	3,359,000
Recycled Water Sales		60,000	500,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Property Tax Allocation (Discretionary)		400,000	400,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Investment Earnings		80,000	127,000	66,000	69,000	59,000	62,000	59,000	57,000	59,000	61,000
Sewer Availability/Closeout of AD 99-1		135,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Total		3,555,000	3,990,000	3,623,000	3,671,000	3,706,000	3,755,000	3,814,000	3,875,000	3,942,000	4,010,000
EXPENSES											
Operating & Maintenance											
Salaries	3.0%	522,000	562,000	579,000	596,000	614,000	632,000	651,000	671,000	691,000	712,000
Benefits	5.0%	322,000	347,000	364,000	382,000	401,000	421,000	442,000	464,000	487,000	511,000
Operations & Maintenance	3.0%	1,040,000	1,059,000	1,091,000	1,124,000	1,158,000	1,193,000	1,229,000	1,266,000	1,304,000	1,343,000
Equipment/Capital Outlay	3.0%	0	0	50,000	52,000	54,000	56,000	58,000	60,000	62,000	64,000
General & Admin Transfers	3.0%	671,000	710,000	731,000	753,000	776,000	799,000	823,000	848,000	873,000	899,000
Subtotal		2,555,000	2,678,000	2,815,000	2,907,000	3,003,000	3,101,000	3,203,000	3,309,000	3,417,000	3,529,000
Capital Projects											
Treatment Plant Improvements		190,000	123,000	233,000	524,000	68,000	661,000	513,000	98,000	0	104,000
Collection System Improvements		1,400,000	928,000	265,000	1,312,000	281,000	290,000	299,000	307,000	316,000	326,000
Subtotal		1,590,000	1,051,000	498,000	1,836,000	349,000	951,000	812,000	405,000	316,000	430,000
Total Expenses		4,145,000	3,729,000	3,313,000	4,743,000	3,352,000	4,052,000	4,015,000	3,714,000	3,733,000	3,959,000
Revenues Less Expenses		(590,000)	261,000	310,000	(1,072,000)	354,000	(297,000)	(201,000)	161,000	209,000	51,000
Ending Fund Reserves		6,372,000	6,633,000	6,943,000	5,871,000	6,225,000	5,928,000	5,727,000	5,888,000	6,097,000	6,148,000

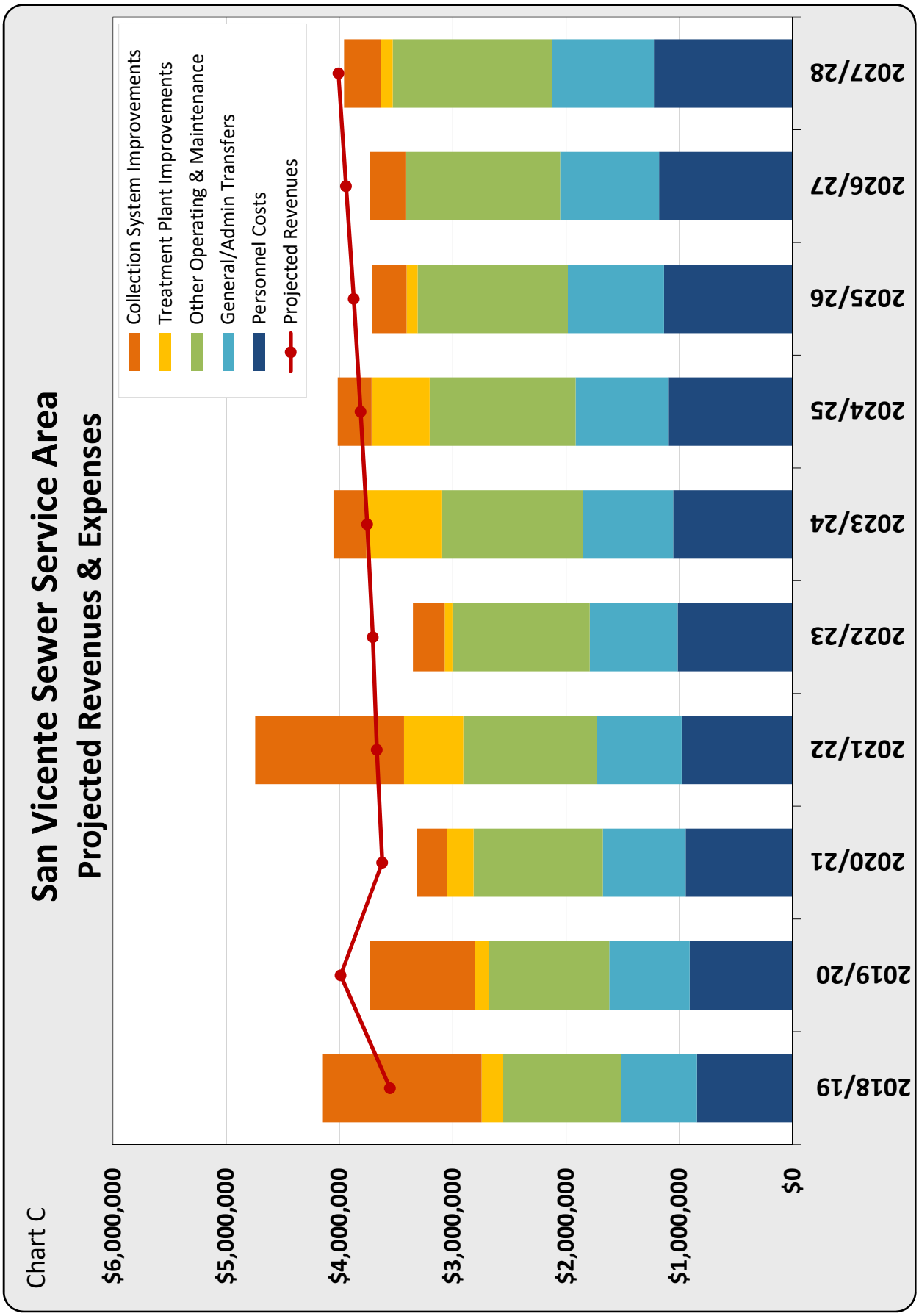


Chart C
San Vicente Sewer Service Area
Projected Revenues & Expenses
Collection System Improvements
Treatment Plant Improvements
Other Operating & Maintenance
General/Admin Transfers
Personnel Costs
Projected Revenues
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
2024/25
2025/26
2026/27
2027/28

Table 7
Ramona Municipal Water District
San Vicente Sewer Service Area
5-Year Sewer Rate Projection

Effective Date	Current Sewer Rate	Projected Rates Effective				
		July 1 2019	July 1 2020	July 1 2021	July 1 2022	July 1 2023
Projected Rate Increase		1.5%	1.5%	1.5%	1.5%	1.5%
Santa Maria Sewer Service Area						
Annual Charge per EDU	$756.87	$768.22	$779.74	$791.44	$803.31	$815.36
Monthly Equivalent	63.07	64.02	64.98	65.95	66.94	67.95
Monthly Increase		0.95	0.96	0.97	0.99	1.00

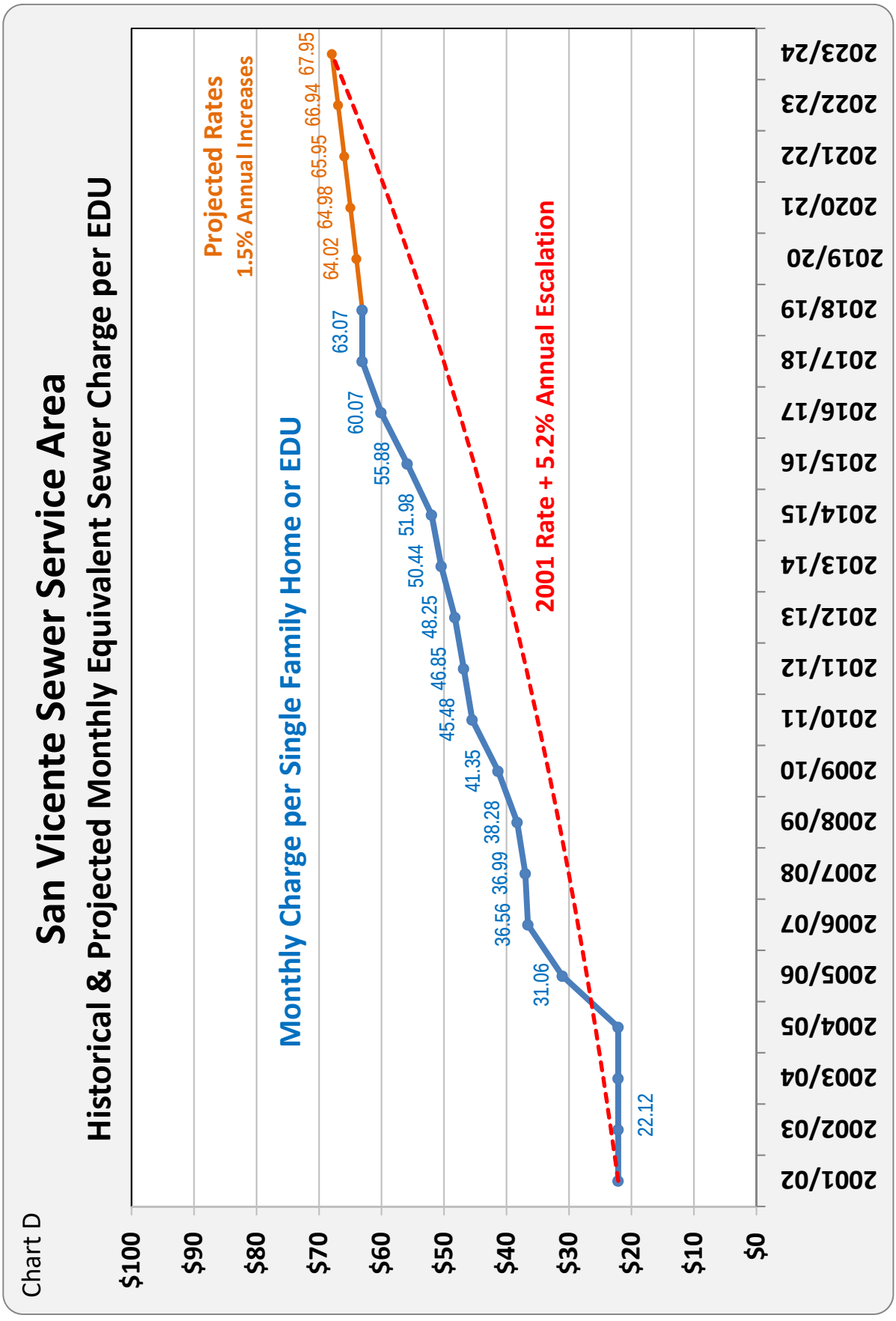


Chart D
San Vicente Sewer Service Area
Historical & Projected Monthly Equivalent Sewer Charge per EDU
Projected Rates
1.5% Annual Increases
Monthly Charge per Single Family Home or EDU
2001 Rate + 5.2% Annual Escalation
$100
$90
$80
$70
$60
$50
$40
$30
$20
$10
$0
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
22.12
31.06
36.56
36.99
38.28
41.35
45.48
46.85
48.25
50.44
51.98
55.88
60.07
63.07
64.02
64.98
65.95
66.94
67.95

Ramona Municipal Water District

A Public Agency Organized August 15, 1956

NOTICE OF PUBLIC HEARINGS
Concerning Proposed Increases in Rates and Fees for Sewer and Water Services

NOTICE IS HEREBY GIVEN THAT the Board of Directors of the Ramona Municipal Water District ("the District") will conduct public hearings at **2:00 p.m. on July 9, 2019** at the Ramona Community Center, 434 Aqua Lane, Ramona, California 92065, following which it will consider adopting increases in rates and fees for sewer and water services. If adopted, 1) sewer service charges would be effective for the 5 fiscal years implemented annually beginning on July 1, 2019 through July 1, 2023 and 2) water rate and fee increases will go into effect on August 1, 2019 for Year 1 increases, and each subsequent July 1, from 2020 through 2023 for increases in Years 2-5.

SECTION 1. SEWER SERVICE CHARGES

1.A. San Vicente & Santa Maria Sewer Service Areas

The District provides wastewater service to two separate service areas including a) the San Vicente Sewer Service Area which serves parcels located mostly in San Diego Country Estates and the Rancho San Vicente/Ryland Homes development, and b) the Santa Maria Sewer Service Area which serves parcels located mostly in the downtown Ramona area and the Mt. Woodson development. Each sewer service area is served by a separate collection system and wastewater treatment plant and is accounted for as its own financially self-supporting enterprise. The District establishes separate charges for the San Vicente and Santa Maria Sewer Service Areas based on the costs of providing wastewater service to each service area.

1.B. Purpose of Proposed Sewer Service Charge Increases

Sewer service charge increases are needed to fund the District's provision of sewer services to its customers, including to support capital improvements to the District's aging wastewater collection and treatment facilities. Dudek, the District's engineering consultant, updated capital improvement plans that were adopted by the District's Board of Director's in 2018 for each sewer service area to address existing deficiencies, rehabilitate and replace aging infrastructure, and support continued reliability of service (Facilities Plans – San Vicente/Santa Maria Water Reclamation Plant & Collection Systems, July 2018). The capital improvement plans identify approximately $27.4 million of infrastructure improvements needed over the next decade including $19.3 million of upgrades and replacements needed within the next 5 years. Some examples are discussed below.

- **Wastewater Treatment Plant Capital Improvement Needs** – The District's two wastewater treatment plants were built over 45 years ago and have undergone various improvements and expansions over the years. Various components and equipment at each treatment plant have reached the end of their useful lives and need replacement and/or rehabilitation. Additionally, in order to meet current capacity requirements, the District needs to upsize and replace the Santa Maria wastewater treatment plant's effluent disposal pipeline which was installed over 50 years ago.
- **Repair & Replace Aging Sewer Collection System Pipelines & Lift Stations** – The San Vicente Sewer Service Area includes approximately 43 miles of sewer collection system pipelines and one sewer lift station. Many of the pipelines were installed in the early 1970s. The Santa Maria Sewer Service Area is served by approximately 29 miles of sewer collection system pipelines and 4 sewer lift stations. This system includes pipelines dating back to the 1940s. The proposed sewer service charges are designed to help the District fund high-priority capital improvements needed within the next 5 years in each separate sewer service area such as the replacement of the aging pipelines and provide a funding stream for ongoing collection system rehabilitation.

1.C. Basis Upon Which the Proposed Sewer Service Charges are Calculated

In 2019, the District contracted with an independent consulting firm, Bartle Wells Associates ("BWA") to review the operations costs, maintenance requirements, and infrastructure needs of the District's sewer systems and to analyze appropriate and proportional sewer service charges based upon users' demands on the systems. BWA completed its evaluation and finalized a financial plan and rate update for each sewer service area that included its analysis and recommendations for sewer service charge adjustments ("2019 BWA Reports").

1.D. Proposed Sewer Service Charges

The District is proposing to phase in increases to its sewer service charges for the San Vicente and Santa Maria Sewer Service Areas as shown on the table below based upon the 2019 BWA Reports. The proposed charges are designed to recover projected operating, maintenance, and capital improvement expenses of each sewer service area as shown in the 2019 BWA Reports.

The District levies sewer service charges on the basis of Equivalent Dwelling Units (EDUs). EDU classification is based on the District Legislative Code, quantifying the wastewater conveyance, treatment and disposal requirements of each parcel, based on the maximum wastewater flow and strength of the type(s) of wastewater-generating uses on each parcel. One EDU represents the wastewater flow and strength requirements and system capacity need of a standard single-family residential dwelling unit within each Sewer Service Area. Multi- and Non-Residential uses are typically multiples of this EDU definition, equating to the maximum wastewater production of the parcel. Property owners may request re-evaluation of the EDU calculation of a parcel at any time, in accordance with the District Legislative Code.

The District's sewer service charges are billed annually per fiscal year, which runs from July 1 through June 30. Annual sewer service charges for most customers are billed and collected on the County's property tax bills.

Proposed Sewer Service Charges						
	Current Annual Charge	Poposed Annual Sewer Service Charges Effective Fiscal Year Beginning July 1				
		2019	2020	2021	2022	2023
San Vicente Sewer Service Area						
Proposed Increase %		1.5%	1.5%	1.5%	1.5%	1.5%
Annual Sewer Service Charge per EDU*	$756.87	$768.22	$779.75	$791.44	$803.31	$815.36
Santa Maria Sewer Service Area						
Proposed Increase %		2.0%	2.0%	2.0%	2.0%	2.0%
Annual Sewer Service Charge per EDU*	$789.67	$805.46	$821.57	$838.00	$854.76	$871.86

* EDU = Equivalent Dwelling Unit.

The proposed sewer service charges, as calculated from the 2019 BWA Reports, will not exceed the cost of providing sewer service to District customers. The cost of providing sewer service includes not only immediate operating costs, but long-term operating and capital needs as well. Sewer service charges are only used by the District to provide ongoing sewer service to District customers, in proportion to the costs necessary to provide sewer service to each customer. If adopted, the proposed sewer service charges would go into effect on July 1, 2019 for Year 1, and annually thereafter each July 1 from 2020 through 2023 for Year 2-5 adjustments.

SECTION 2. WATER RATE AND FEE INCREASES

2.A. Purpose of Proposed Water Rate and Fee 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 and fees 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 total costs for electricity, natural gas and pumping are included in the energy/pumping rate and have also increased. For example, payments to SDG&E related to water service increased over 18% from calendar year 2015, when the District last completed a water rate study, to calendar year 2018. While these energy costs have increased, the District has taken proactive steps to address these increased costs from SDG&E, to help limit those effects on the Districts water customers. These steps include operation of a natural gas engine at the Poway Pump Station which uses less expensive fuel (natural gas versus electricity), and pumping water off peak hours as defined by SDG&E, to the extent feasible.

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.

2.B. Basis Upon Which the Proposed Rates and Fees 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 and fees. 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 and monthly system charges are as follows:

2.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. The energy/pumping rate portion of the water rate includes the District's costs for purchasing electricity and natural gas from SDG&E and the cost of pumping water to the District's customers.

Rate*	Current Per-unit Rate	Effective August 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 treated rate	$5.69	$6.02	$6.45	$6.91	$7.40	$7.92
General treated - AG	$0.00	$6.43	$6.89	$7.38	$7.90	$8.46
General untreated rate	$4.88	$5.46	$5.85	$6.26	$6.70	$7.17
SAWR treated rate	$4.70	$5.93	$6.35	$6.80	$7.28	$7.79
SAWR untreated rate	$3.89	$4.96	$5.31	$5.69	$6.09	$6.52
Energy/pumping rate	$1.02	$0.99	$1.06	$1.14	$1.22	$1.31

Construction	$6.40	$8.55	$9.15	$9.80	$10.49	$11.23

* Your applicable water rate and meter size appears on your District service bill. Please contact the District at (760) 788-2200 if you have difficulty locating this information.

**Proposed water rates for Years 2-5 do not include future potential pass-through increases from the SDCWA or SDG&E which may be authorized via the pass-through ordinance described in more detail below. If the Board approves the pass-through ordinance described below, those 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.

2.D. Proposed Monthly System Charges

The monthly system charge for water service is a fixed monthly fee structured to recover a portion of the District's fixed costs of providing water service to its customers, such as the water distribution system (mains and pipelines, storage tanks, meters, etc.) and a portion of SDCWA water purchases.

Meter Size*	Current Monthly System Charge	Effective August 1, 2019 (Year 1)	Effective July 1, 2020 (Year2)**	Effective July 1, 2021 (Year 3)**	Effective July 1, 2022 (Year 4)**	Effective July 1, 2023 (Year 5)**
3/4" or smaller	$32.33	$36.12	$38.65	$41.36	$44.26	$47.36
1"	$52.13	$55.73	$59.63	$63.81	$68.28	$73.06
1 ½"	$101.97	$104.14	$111.43	$119.24	$127.59	$136.53
2"	$161.77	$165.36	$176.94	$189.33	$202.59	$216.78
3"	$301.16	$343.81	$367.88	$393.64	$421.20	$450.69
4"	$500.27	$608.67	$651.29	$696.89	$745.68	$797.88

* Your applicable water rate and meter size appears on your District service bill. Please contact the District at (760) 788-2200 if you have difficulty locating this information.

**Proposed water rates for Years 2-5 do not include future potential pass-through increases from the SDCWA or SDG&E which may be authorized via the pass-through ordinance described in more detail below. If the Board approves the pass-through ordinance described below, those 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 and monthly system charges, 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 and monthly system charge increases would go into effect on August 1, 2019 for Year 1, and on each July 1 from 2020 through 2023 for Years 2-5.

SECTION 3. NOTICE OF PASS THROUGH ORDINANCE FOR WATER SERVICES

The Board of Directors will also consider an ordinance authorizing 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 would authorize 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 for each of the following five years 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.

SECTION 4. PROTESTS

At separate public hearings, the Board of Directors will consider objections and protests to the proposed rates and fees for water and sewer services. Any property owner or any tenant directly responsible for the payment of such rates and fees may submit a written protest to the proposed increases to the rates and fees; provided, however, that only one protest will be counted per identified parcel. Separate protests may be submitted to rates and fees for water and sewer services, or they may be combined in one document. Each written protest must: (1) state that the identified property owner or tenant is opposed to the proposed water and/or sewer rate and/or fee increases; (2) provide the location of the identified parcel (by assessor's parcel number or street address) where the water/sewer 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 hearings on July 9, 2019, so long as they are received prior to the close of the public hearing on water and/or sewer services, as applicable, which will occur when public testimony on the proposed rate and fee 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 and Fees for Water and/or the public hearing on the Proposed Increases in Sewer Service Charges, or both, and which rate and/or fee 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 and fee increases at the public hearings. Oral comments at the public

hearings will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of each public hearing, the Board of Directors will consider adoption of the proposed rate and fee increases. If written protests against the proposed rates and fees are not presented by a majority of the property owners or customers of the identified parcels upon which the rates and fees are proposed to be imposed, the Board of Directors will be authorized to adopt the proposed rate and fee increases. The District remains committed to operating efficiently and plans to only increase water rates and charges, and sewer service charges 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), the 2019 BWA Reports (Sewer), or the Dudek capital improvement plan (Facilities Plans) please send your request to the address below. As noted above, the public hearings are scheduled for 2:00 p.m. on July 9, 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 Water and Sewer Rates
(760) 788-2203

Published on 6/27/19 & 7/4/19

RAMONA MUNICIPAL WATER DISTRICT

105 Earlham Street
Ramona, CA 92065

Telephone: 760-789-1330
Facsimile: 760-788-2202

NOTICE OF PUBLIC HEARING ADOPTING INCREASES TO THE WATER CAPACITY AND CONNECTION FEES AND DEPOSITS
July 9, 2019 AT 2:00 P.M.
RAMONA COMMUNITY CENTER,
434 AQUA LANE, RAMONA, CALIFORNIA 92065

Notice is hereby given that on the 9th day of July 2019, at the hour of 2:00 p.m. at the Ramona Community Center, 434 Aqua Lane, Ramona, California, the Board of Directors of the Ramona Municipal Water District will consider and receive comment on:

ADOPTING INCREASES TO THE DISTRICT'S WATER CAPACITY AND CONNECTION FEES AND DEPOSITS

Capacity fees are one-time fees, collected as a condition of establishing a new connection to the District's water systems or the expansion of an already existing connection. The purpose of capacity fees is to pay for development's share of the costs of existing and/or new water facilities. These fees are designed to be proportional to the demand placed on the systems by the new or expanded connections. Connection fees are one-time charges for services provided by the District that primarily benefit an individual or group.

As of June 26, 2019, copies of the documents related to the Water Capacity and Connection Fees and Deposits are made available for review at the District Office, 105 Earlham Street, Ramona, California 92065. Such documents include data indicating the amount of cost, or estimated cost, required to provide the service for which the capacity and/or connection fee is levied and the revenue sources anticipated to provide the service.

Any interested person may appear at said meeting and make an oral or written presentation to the Board related to the water capacity and connection fees and deposits.

Administrative Services Department
RAMONA MUNICIPAL WATER DISTRICT

RAMONA MUNICIPAL WATER DISTRICT

AGENDA MEMO

Agenda Item No. C.3.a.
Regular Board Meeting of July 9, 2019

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: DISCUSSION AND POSSIBLE ACTION TO ADOPT AN ORDINANCE AMENDING THE DISTRICT'S LEGISLATIVE CODE CHAPTERS 7.16, 7.28, AND 7.44 AND ADOPTING REVISIONS TO THE DISTRICT'S WATER CAPACITY AND CONNECTION FEES AND DEPOSITS

Members of the Board:

Purpose

Discussion and possible action following a public hearing to consider adopting an Ordinance amending the District's Legislative Code and adopting revisions to the District's water capacity and connection fees and deposits.

Background

The District collects fees as a reimbursement for a variety of services it provides to its customers. From time to time, the District should systematically review the costs of providing these services, to ensure cost neutrality and recovery, compliance with relevant laws, and to meet or exceed the best practices in our industry for setting fees. The District has recently undertaken proactive steps in updating multi-year facilities plans, completing the first multi-year operating budget, and reviewing user rates and fees for services. These procedures and plans provided the information to review the water capacity and connection fees, including utilizing a professional third-party rate consultant to analyze the system as a whole.

Discussion

In 2017 the District contracted with an independent consulting firm, Raftelis Financial Consultants (RFC), to review and make recommendations on not only the District's water rate and fee structure, and also to complete a review and make recommendations in a separate study for the water capacity and connection fees. This review was updated in 2019 for Board consideration at this July 9, 2019 noticed public hearing (RFC 2019 Report). The concept was to bring forward prudent recommendations for Board consideration for the water system as a whole to ensure appropriate cost recovery for the water system.

There are two major categories of fees that were analyzed throughout this process and the RFC 2019 Report. The first category is Capacity Fees. These fees are incurred as newly connecting customers are placed in service to "buy-in" to the system through a payment for a portion of the facilities that were previously constructed in advance of this new development. This helps ensure each new unit is paying its fair share ("proportionality") for both the existing system and needed system incremental growth-related capital improvement projects.

The second category is Connection Fees. These fees are collected to reimburse the District for physically connecting to the system. These include meter only installation fees, lateral installation fees and an application fee. These fees include labor costs, purchased meter cost, and other ancillary materials costs required when installing water meters.

The RFC 2019 Report incorporates figures from the District's existing water system assets, Board adopted Water Facilities Plan and updated projections of system usage to analyze appropriate and proportional water capacity and connection fees. RFC reviewed and updated its analysis in 2019 and issued the RFC 2019 Report related to water capacity fees and connection fees. The RFC 2019 Report concludes that the District should adjust its fees for the coming fiscal years to adequately recover costs for providing these services.

RFC recommends increases for the current Fiscal Year 19/20 that includes an immediate term "catch-up" to get these fees in line with both inflationary increases and changes in the system since 1995. RFC also recommends annually updating both the capacity and connection fees on an annual basis to account for inflationary increases. These "out year" increases over a five-year period are geared at preventing these fees from getting way out of line with the inflationary costs incurred by the District in providing these services. District staff concurs with this methodology, which is being recommended as reflected in the proposed Legislative Code revisions in the attached Ordinance.

The fees are proposed for implementation beginning on August 1, 2019. As calculated from the RFC analysis, the revenue derived from the water capacity fees and connection fees will not exceed the estimated amount to provide the service for which the fees are charged.

Proposed fees

Detailed calculations and methodologies for updating each fee type are included in the attached and referenced RFC 2019 Report, and "Exhibit A" to the proposed Ordinance. These documents include the current fees for each service type, and the proposed adjustment as well.

Proposed Capacity Fees

	RMWD CIP Fee (Buy-In Component) ($/EDU) [A]	Water Storage Fee (Incremental Component) ($/EDU) [B]	Proposed Capacity Fee ($/EDU) [C]= (A + B)
Black Canyon Zone	$8,740	$5,300	**$14,040**
Boulder Zone	$8,740	$6,000	**$14,740**
Zones w/ Storage Needs	$8,740	$1,967	**$10,706**
All Other Zones	$8,740	$0	**$8,740**

Proposed Connection Fees

Fee Description	Proposed Deposits/Fees
Application Fee	$191
New Meter Installation	
3/4"	$776
1"	$1,009
1 1/2"	$1,411
2"	$1,666
Lateral Installation	**Deposit**
3/4"	$3,095
1"	$3,328
1 1/2"	$3,694
2"	$3,949

Notice and Public Hearing

The District provided the legally required notice and made relevant backup data available for inspection to interested parties as required by state law provisions. These notices included publishing of the date, location and time of the public hearing for consideration, and the purpose of the fee(s).

Fiscal Impact

None at this time. Subsequent proposed budgets will include revenue adjustments to account for any fee adjustments potentially approved by the Board at this noticed hearing. If the Board approves fee adjustments at the noticed July 9, 2019 public hearing, updated water fees would be effective beginning August 1, 2019.

Recommendation

Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.3., the Board amend the District's Legislative Code sections relating to water capacity and connection fees and the application fee by adopting the attached Ordinance.

Prepared by: Craig Schmollinger, Chief Financial Officer

Submitted by: David Barnum, General Manager

ATTACHMENTS:

ORDINANCE 19-XXX

ORDINANCE OF THE BOARD OF DIRECTORS OF THE RAMONA MUNICIPAL WATER DISTRICT AMENDING THE DISTRICT'S LEGISLATIVE CODE CHAPTERS 7.16, 7.28, AND 7.44 AND ADOPTING REVISIONS TO THE DISTRICT'S WATER CAPACITY AND CONNECTION FEES AND DEPOSITS

WHEREAS, the Ramona Municipal Water District ("District") is organized and operating pursuant to Water Code section 71000 et seq., and

WHEREAS, the District is authorized by the Government Code to impose and collect capacity and connection fees and deposits for new water services; and

WHEREAS, the Government Code sets forth specific procedures for the purposes of modifying or imposing capacity and connection fees; and

WHEREAS, Chapter 7.16 of the District's Legislative Code currently sets forth the District's capacity and connection fees and deposits and application fee for new development (referred to collectively as "Water Capacity/Connection Fees"); and

WHEREAS, the District has not updated the dollar amount of the Water Capacity/Connection Fees charged since at least the mid-1990's and costs have outpaced these fee and deposit amounts; and

WHEREAS, the District contracted with a third-party water rate specialist consulting firm, Raftelis Financial Consultants, to review and make recommendations on Water Capacity/Connection Fees based on their experience, applicable law, and professional judgement; and

WHEREAS, the District desires to update those Water Capacity/Connection Fees to re-coup the actual costs for providing services, in accordance with applicable laws and ordinances, and industry standards.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Ramona Municipal Water District as follows:

SECTION 1: The matters set forth in the Recitals to this Ordinance are true and correct statements and incorporated as findings.

SECTION 2: The Board of Directors of the Ramona Municipal Water District reviewed the information, including but not limited to the report by Raftelis Financial Consultants showing the justification for the proposed modifications to the Water Capacity and Connection Fees.

SECTION 3: Pursuant to state law, proper notice was given for a public hearing regarding the proposed revisions to the Water Capacity/Connection Fees. District staff also made available for public inspection at least ten (10) days prior to the public hearing, data showing the cost or estimated cost required to provide the service for which the

charges provided in this Ordinance are charged. On July 9, 2019, at 2:00 p.m. at 434 Aqua Lane, Ramona California 92065, a Public Hearing was held and the Board heard and considered any written and oral comments of all persons appearing at the public hearing.

SECTION 4: The District finds that the fees and deposits, including the proposed annual escalator for each fee established in Exhibit "A" attached hereto and by this reference incorporated herein, will not exceed the estimated amount to provide the service for which the Water Capacity/Connection Fees are charged.

SECTION 6: The District finds that this Ordinance is not subject to the California Environmental Quality Act.

SECTION 7: The District finds that the Water Capacity/Connection Fees adopted herein shall be imposed only as a condition of extending or initiating service upon the request of a customer. The Water Capacity/Connection Fees are not imposed upon real property or upon persons as an incident of property ownership and is not calculated or developed on the basis of any parcel map, including an assessor's parcel map.

SECTION 8: The Water Capacity/Connection Fees, which includes the annual escalator shown in proposed Legislative Code Section 7.16.035 as set forth in Exhibit "A" are hereby adopted effective August 1, 2019 and the General Manager of the Ramona Municipal Water District is hereby authorized and directed to collect the Water Capacity/Connection Fees adopted herein on and after the August 1, 2019 effective date.

SECTION 9: The District's Legislative Code Chapter 7.16 "Water Meter Fees"; Chapter 7.28 "Water Service Application and Meter Sizing"; and Chapter 7.44 "Recycled Water" are hereby amended to read as shown in Exhibits A, B, and C respectively, attached hereto and incorporated herein by this reference.

SECTION 10. If any paragraph or exhibit of this Ordinance is found to be unenforceable or contrary to law, the remaining provisions shall remain in full force and effect.

SECTION 11. This Ordinance shall become effective upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Ramona Municipal Water District at the regular meeting of July 9, 2019 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Jim Robinson
President, Board of Directors
Ramona Municipal Water District

ATTEST:

_____

Bryan Wadlington
Secretary, Board of Directors
Ramona Municipal Water District

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EXHIBIT A

Chapter 7.16

WATER METER FEES

Contents:

Section 7.16.005 Definitions.

See Chapter 7.28 “Water Service Application and Metering”, Section 7.28.010 “Definitions”.

Section 7.16.010 Water Capital Improvement Fees.

~~The following Capital Improvement Fees for water service connections were last adjusted on April 25, 1995.~~

Capital Improvement Fee is $~~7,000~~ 8,740 per EDU

There is no Capital Improvement Fee for untreated water agricultural meters for parcels in Assessment District (AD) 79-1 because the system improvements were paid for by the assessment district. See section 7.16.060 for parcels not in AD 79-1 that request untreated water service.

Section 7.16.015 Water Storage Zone Capital Improvement Fees.

Black Canyon Storage Zone Capital Improvement Fee is $5,300 per EDU

This storage zone capital improvement fee is based on the 659,300 gallon capacity water tank at elevation 1982, a pump station, and certain pipelines as defined in the July 13, 2010, Settlement Agreement by and between the District, Black Canyon Ranch, LLC and KirE Investors LLC. All parcels that use these facilities, except the parcels and lots more particularly described and identified as County of San Diego Tract No. 4484-1 on Tentative Map No. 4484 and final Map No. 14371, shall pay this capital improvement fee. The first $95,000 collected shall be paid out by the District in accordance with the settlement (term ends July 13, 2025). Payments to BCR shall be made on February 1 and July 1 each year. An annual accounting shall be conducted by the

District's Engineer no later than February 1 of each year and shall be provided to BCR per the agreement until 2025 or the $95,000 has been paid in full, whichever comes first. Any fees collected after the $95,000 has been paid shall be deposited by the District in its Water Capital Improvement Program Fund.

Boulder Storage Zone Fee is $6,000 per EDU

The storage zone capital improvement fee is based on the 880,000 capacity water tank at elevation 1976 as defined in the March 27, 2008, Settlement Agreement by and between the District, Davidson Coscan Partners, and Brookfield Homes Holdings. All parcels that use these facilities, except the parcels and lots more particularly described and indentified as the 123 EDUs in Mt. Woodson above 1720 elevation shall pay this capital improvement fee. The District may connect another 112 EDUs of which all are current customers at no cost. Therefore all fees collected from new connections will be paid to Davidson Coscan Partners each year. An annual accounting conducted by the District's Engineer no later than February 1 of each year shall be provided to Davidson Coscan Partners per the agreement until 2023. Any fees collected after February 23, 2023 shall be deposited by the District in its Water Capital Improvement Program Fund.

All other Zones with Storage Needs Fee is $1,967 per EDU

The remaining zones with identified storage needs to meet future projected demands is based on the projected costs of providing for those facilities for a projected 3,407 EDUs with additional storage needs of 3.35 million gallons. Any fees collected shall be deposited by the District in its Water Capital Improvement Program Fund.

~~**Section 7.16.020 Conservation Offset Fees.**~~

~~The Board of Directors of the District adopted the following conservation offset fees for meters including untreated water meters:~~

~~**Conservation Offset Fee is $750 per EDU**~~

Section 7.16.030 Meter Installation Fees and Deposits.

The following water service meter installation fees are for a~~-~~ drop in meter only ~~typical~~ installation.

Meter Size	Drop In Meter Only Fee	~~Standard Meter and Lateral Fee~~
¾ inch	$776.00 ~~202.00~~	~~$1,856.00~~
1 inch	$1,009.00 ~~252.00~~	~~$1,911.00~~
1 ½ inch	$1,411.00 ~~686.00~~	~~$2,784.00~~
2 inch	$1,666.00 ~~755.00~~	~~$2,853.00~~

For ~~complex meter and~~ lateral installations the following deposit shall be made and may be increased based on actual costs and overheads. Deposit amounts not used will be refunded. ~~A complex meter and lateral installation is typically one that requires work in a major street, has unusual traffic control or trench conditions, or has other conditions causing the installation to be non-standard as determined during the evaluation of service application process.~~

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EXHIBIT A

Meter Size	Lateral Meter Installation Deposit
¾ inch	$3,095.00 ~~2,700.00~~
1 inch	$3,328.00 ~~2,700.00~~
1 ½ inch	$3,694.00 ~~3,700.00~~
2 inch	$3,949.00 ~~3,700.00~~

The customer shall arrange for and pay for all permits and inspections performed by other agencies. If the District pays for any permits and inspections by other agencies the customer shall reimburse all costs associated with obtaining these permits to the District.

Section 7.16.035 Water Capital Improvement Fee, and Meter Installation Fees and Deposit Adjustments

The amount established by Sections 7.16.010 and 7.16.030 shall be adjusted one (1) time each year, commencing on January 1, 2021 and continuing each year on January 1, or as soon thereafter as is feasible, until January 1, 2024. Such adjustment shall be no greater than the amount directly proportionate to the percentage change in the Engineering News-Record Construction Costs Index (20-Cities Average), since the previous update to the such fees and deposits, with each fee or deposit amount rounded to the nearest whole dollar. In no event will an annual adjustment be greater than 3%. The most recently completed Engineering News-Record Construction Costs Index (20-Cities Average) is 11,062 which will be used as a baseline to complete the annual adjustment starting January 1, 2021. This annual adjustment process will be reviewed and modified, if necessary, at least every (5) five years by the Board of Directors.

Section 7.16.040 Preliminary Water Service Application Fee.

All requests for water service (new, changes, or approval of County of San Diego Clearance Form), including "drop in meter only", require executing a "Preliminary Water Service Application" and payment of a $191~~100~~ fee. This fee covers the cost of the District determining if there is a need for a "Water System Evaluation", to make a site inspection, and prepare cost and fee information for installing the requested water service.

Section 7.16.050 San Diego County Water Authority Fee.

The District will collect the appropriate San Diego County Water Authority (CWA) Fees when issuing a water meter, based on the most recently issued Capacity Charge Table issued by CWA. In the case where a larger meter is being requested CWA code provides that their fees be charged only for the increase in capacity of the meter above the capacity of the existing meter. CWA fees apply to treated water and untreated water meters, but not to recycled water meters.

Section 7.16.060 Reimbursement and Assessment District Fees and Charges.

A. Any funds to be collected due to reimbursement agreements or assessments shall be collected at the same time as the water service connection fees.

B. No parcel of land located outside of an assessment district shall be connected to water improvements financed by an assessment district, unless and until the owner of such parcel of land has completed a “Water System Evaluation” and paid a connection charge, as a condition to receiving water service, in an amount computed as follows:

1. The amount of assessment which would have been levied on such parcel of land if such parcel of land had been included in the assessment district at the time of formation; and

2. The interest on the amount specified in subsection A of this section at the rate charged for bonds issued representing unpaid assessments in such assessment district computed from the date of such bonds to the date of connection to the water improvements.

Section 7.16.070 Construction Meters.

Construction meters are issued at the main office of the District and use shall conform to the following:

A. A "construction meter" is any meter connected to a fire hydrant for temporary use (typically three-inch turbine hydrant meter). Application for construction meter service shall be made twenty-four hours prior to need. Meter requests received on a Friday will be processed on the following Monday.

B. A construction meter will not be issued until the customer has completed the District "Application for Construction Meter," and has received from the District a copy of the "Construction Meter Policy."

C. A security deposit of twelve hundred dollars to cover damages or loss to the meter and the fire hydrant connections will be held by the district for each construction meter issued.

D. Payment of all fees will be in advance.

E. Administrative and account setup fee will be twenty dollars, collected at time of application.

F. Daily rental rate is one dollar seventy-five cents.

G. Damages to a repairable construction meter will be charged to the user at the District's current rate for time and materials, plus fifteen percent to cover administrative costs. If the meter is lost or stolen, the user will be required to reimburse the District for the actual costs of a new construction meter. Any problem with the operation of the meter is to be reported to the District for repair or replacement. Customer will not dismantle, repair, or tamper with the meter or service.

H. Any action deemed appropriate to correct violations related to the use of a construction meter may be taken by District staff; including, but not limited to: written notifications, forfeiture of deposit and/or meter, and/or refusal of future requests for the use of a construction meter.

I. Water usage will be charged at the current special projects rate per one hundred cubic feet as adopted by the Board of Directors.

J. Construction meters must be brought to the main office between the hours of 7:30 a.m. through 4:00 p.m. the last Wednesday of each month for reading and examination or the usage will be estimated at the highest usage or 500 units, whichever is greatest. If the meter is not returned at the designated time, construction meter privileges will be revoked.

K. Construction meter may not be used for delivery of water outside of district boundaries without written permission from the general manager (fire fighting water excluded).

L. Water drawn through a construction meter for interim household use is forbidden at all times. Construction meter is not to be used as a substitute for domestic water source; for agricultural purposes; or to fill lakes, ponds and/or swimming pools.

M. Customer is responsible for all water delivered through their assigned meter.

N. Customer must comply with requirements of all District ordinances and policies in effect at the time of application, subject to change with thirty days notification.

O. The District reserves the right to terminate water service at any time, without notice, in matters of misuse, harm to district facilities, interference with the public water supply, failure to notify of any change in use or any failure to comply with other provisions of this policy.

P. Any unpaid charges owed to the District will be deducted from the security deposit when the account is closed. Amounts unpaid in excess of the deposit will be billed to the customer applying for the construction meter. Refunds will be made in accordance with District policy.

Q. All water trucks shall be equipped with suction-break filling system.

R. Customers must furnish compatible meter outlet adapters.

S. Approved spanner hydrant wrenches shall be used to turn on fire hydrant.

T. Meter is to be connected to water source authorized by District.

U. If water is taken without using the construction meter, District will immediately confiscate the meter and the full security deposit will be forfeited and the customer may be subject to criminal prosecution in addition to the loss of meter and deposit.

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Exhibit B

Chapter 7.28

WATER SERVICE APPLICATION AND METER SIZING

Contents:

Section 7.28.010 Definitions.

As used in this chapter:

"Abandoned service" means discontinuation of metered water service and removal of the meter by the District which may include complete removal of the lateral.

“Accessory Dwelling Unit” (“ADU”) means a habitable living unit (fixed or mobile) added to, created within, or detached from a single-family dwelling unit that provides the basic requirements for living, sleeping, and sanitation, typically referred to as a “granny flat” or “guest house”.

“Application for Water Service” is a document used by the District to detail the costs and charges for new or changed water service and establish a customer account. The application is executed by the Owner and District. Only one new or changed water service is allowed per application.

“Application for Water System Evaluation” is a document created by the District and executed by the Owner or any interested party, individual, partnership, corporation or other legal entity requesting an evaluation of the District’s water system needed to serve a parcel(s). The evaluation is typically used to determine what Water Facilities are required and the cost to provide water to a parcel or development.

"Board" or "Board of Directors" means the governing body of the Ramona Municipal Water District.

“Continuous Flow” refers to the flow that results from irrigation or process water use that lasts for long durations, usually five to fifteen minutes or more. It is the upper limit of continuous flow through a water meter that will impact the accuracy of or damage the internal workings of a water meter.

“County of San Diego Clearance Form” is a document the County of San Diego (County) requires the Owner to submit to the District for signature to indicate that the parcel(s) in question has appropriate water service. The parcel may be adding tenant improvements, new buildings, accessory dwelling unit, etc. The District evaluates the request as if it were an application for new or changes in water service. Also referred to as “Agency Clearance Form”.

"Customer" means the name on the current account for the metered water service.

“Development” means a single parcel or multiple parcels that are being improved by the addition of changes or improvements to the land (e.g. new structures, subdivisions, water/sewer hookups, etc.).

“Distribution Water Lines” are typically 8-in, 10-in and 12-in in diameter and are the supply lines for water service connections.

"District" means the Ramona Municipal Water District (RMWD).

“District Engineer” means the executive-in-charge of engineering or designated representative.

"Drop-in service" means a "meter-only" installation.

“Dwelling Unit” means any structure (fixed or mobile) designed and used for residential occupancy, is a habitable living unit that provides basic requirements for living, sleeping, eating, cooking, and sanitation.

"Equivalent Dwelling Unit” (EDU) is a measure where one unit is equivalent to the average annual daily demand of a typical single-family residence or dwelling unit. An EDU is also equivalent to 20 fixture units or 554 gallons per day.

“Fixture Unit” is a measure of the demand on the water supply by a plumbing fixture. The fixture unit value for a particular fixture is as defined and specified in the latest edition of the Uniform Plumbing Code.

“Intermittent flow” refers to the flow that results from numerous fixture units and incorporates a probability that all fixtures will not be in use at the same time and that the flow is of short duration, usually a few minutes. It is the upper limit of intermittent flow through a water meter that will impact the accuracy of or damage the internal workings of a water meter.

"General Manager" means the executive officer of the District or designated representative.

“GPM” is gallons per minute.

“Line Extension” means a reach of water line required to serve a parcel(s) starting at the nearest appropriate water line as determined by the District and continuing across the subject parcel(s).

"Metered Water Service" means water service that is delivered through a device (meter) that measures water delivered to a parcel from District facilities.

“Metropolitan Water District of Southern California” (MWD) is the wholesale water provider to the San Diego County Water Authority.

“New Retail Water Service” means the installation of a new water meter where water service has not previously been provided.

"Owner" means an individual, partnership, corporation or other legal entity holding title to a parcel within the District's Water Service boundary.

“Out of District Water Service” refers to a water service that is outside the District Boundary but within CWA and MWD boundaries for which an interagency agreement has been executed to allow RMWD to service the “Out of District Water Service”.

“Parcel” means a contiguous area of land defined by a unique assessor’s parcel number (APN).

“Planned Community” means a residential development that has built all water system infrastructure improvements, including pipelines, pump stations and tanks, required to serve the parcels in the development.

“Preliminary Application for Water Service” is a document used by the District and signed by the Owner to initiate a request for water service, and to have the District determine what fees, charges, and conditions must be met before an “Application for Water Service” shall be executed by the Owner and District.

“Private Lateral” means a reach of private water line from the water meter to the property line of a parcel being served that crosses other parcels and is in a recorded easement to the owner of the parcel being served. The private lateral is often called a “spaghetti” line. A private lateral may also service a fire hydrant or fire department connection but no other water services may connect to this lateral.

“Private Project” means Water Facilities built by a private party that they intend to dedicate to the District to own, operate and maintain.

“Process Water” means that water used as a major component of the product or service created, such as water bottling, soft drink bottling, laundries, washing operations, restaurants, fast food services, etc.

“Public Water Facilities” or “Water Facilities” means all District owned and operated facilities that are used to treat, store and deliver water; such as lakes, water treatment plants, pump stations, storage tanks, pipelines, valves, meters, service laterals, public fire hydrants and appurtenances.

“Same Parcel” includes subdivided parcels that are under the same ownership of the owner of the original parcel. Parcels sold to others are not considered the same parcel for this section of the code.

“San Diego County Water Authority” (CWA) is the wholesale water provider to the District.

"Shall" is mandatory; "may" is permissive.

“Stranded Reach” means a reach of future water line that is bounded on both sides by parcels (including those that are on private laterals) that already receive water service from the District.

"Transmission Main" means a pipeline that is typically larger than 12-in in diameter and delivers water from a pump station or terminal storage tank to a local storage tank, or from the local storage tank to the distribution system. Typically only distribution water lines connect to the transmission main and water service connections are rarely allowed to connect.

"Water Service" means any connection to the District water system for the purpose of taking water through water service laterals and associated fixtures such as meters, fire hydrants, and fire department connections.

"Water Service Lateral" is the segment of pipe between the distribution water line in an easement or road right of way that connects to water fixtures (meters, fire hydrants, fire department connections).

"Water System" means the public water facilities including pipelines, pump stations, storage tanks, and water services that are owned, operated and managed by the District.

"Water Systems Charge" is a fixed monthly charge based on the water meter size that covers some of the fixed costs for system maintenance, repair and administration, regardless of the quantity of water used.

In addition to the definitions, the following conditions apply to this chapter:

A. Water service and EDUs are considered to go with the parcel and not with the customer.

B. Credits for EDUs as used in this chapter apply to treated water service only.

C. The determination of EDUs for single-family residential parcels and multi-family residential parcels does not consider the size of the dwelling unit because there is no conclusive evidence of a correlation between square footage of the dwelling unit and the water demand.

Section 7.28.020 Applying for Water Service.

A. To determine what conditions will be set by the District for providing water service to a development or parcel requires either the execution of a "Preliminary Application for Water Service", executed by the owner, or an "Application for Water System Evaluation" per Section 7.76.030. Exhibit "WATER SERVICE APPLICATION PROCESS – OVERVIEW" is a flow chart of the process described herein.

B. **Application for Water System Evaluation** - Any interested party, individual, partnership, corporation, or other legal entity, including the Owner of a development or parcel, may execute an "Application for Water System Evaluation" per Section 7.76.030 to determine what conditions will be set by the District for providing water service.

C. **Preliminary Application for Water Service** - Only the Owner or the owners authorized agent with power of attorney of a development or parcel may execute

a "Preliminary Application for Water Service". A "Preliminary Application for Water Service" shall be submitted for each new water service, change in water service, or approval of a County of San Diego Clearance Form (this means there could be several "Preliminary Applications for Water Service" per parcel). The Preliminary Application for Water Service expires 180 calendar days from the execution date of the application and a new application and fee will be required to initiate a subsequent request for water service. A "Preliminary Application for Water Service" is not required if all of the following are met:

1. no increase in EDUs,

2. no change in meter size,

3. no change in meter location,

4. no change in address, and

5. no change in APN.

The application information provided shall include at least:

1. The street address, assessor's parcel number, floor plan square footage and acreage of the property to be served with water. (If request is for approval of County of San Diego Clearance Form, then architectural or engineering plans are also required).

2. The intended use (e.g. single family residential, multi-family residential, commercial, industrial, process water, irrigation, etc). Per California State Water Code Section 535, the use of water for landscaping of areas greater than 5,000 square feet shall be provided through a dedicated water meter for new retail water service for each parcel where retail water service has not been previously provided, and application is submitted after January 1, 2007. This requirement does not apply to services used for single-family residential or commercial production of agricultural crops or livestock.

3. Service requested (e.g. new or changed service, fire hydrant, fire department connection, meter abandonment, meter relocation, meter exchange).

4. For new structures or remodels submit architectural or engineering plans with a table listing for each dwelling unit the plumbing fixtures, fixture units, annual average gallons per day and gallons per minute for each use separated by existing facilities and new facilities.

5. In addition for Multi-Family, Commercial, and Industrial use;

    a. Landscape plans shall be signed by a Landscape Architect and have a table of watering stations, with the maximum flow rate in gallons per minute and annual volume of water in gallons per year to be used for irrigation for existing and new watering stations,

b. Process plans shall be signed by a Registered Engineer and have a table of the processes with the maximum flow rate in gallons per minute and annual volume of water in gallons per year to be used for existing and new processes.

6. A copy of any easement or right-of-way authorizing the installation of a service lateral, if the meter will not be set in a public street immediately adjacent to the owner's parcel.

7. A description of any existing private facilities for the supply of water to the parcel, such as privately owned wells, reservoir, and storage tanks, etc.

8. The signature of the owner or the authorized agent with power of attorney, and the owner's address to which bills are to be sent.

D. **Review of Preliminary Application for Water Service** - The District will review the “Preliminary Application for Water Service” for the items listed below. An “Application for Water System Evaluation” and a deposit may be required by the District depending on the outcome of the review.

1. The need to build a water line extension or stranded reach.

2. The need for easements for water and sewer lines.

3. The need for pump station and local storage improvements.

4. The need for on-site and off-site improvements

5. The cost of installation of water meter, fire hydrant, and fire department connection or other water service.

6. Fees and charges.

E. **Waiving the Application for Water System Evaluation** - An "Application for Water System Evaluation" shall be waived by District staff as part of the "Preliminary Application for Water Service" review for parcel(s) that meet any of the following criteria (See Exhibit "WATER SERVICE APPLICATION PROCESS – WAIVING WATER SYSTEM EVALUATIONS" for flowchart of process):

1. No change in water service, request is for meter relocation only on a parcel in the same storage zone or for downsizing.

2. A single-family residential parcel in a Planned Community that has completed all infrastructure improvements, and does not require a new line extension, pump station capacity, or additional local storage capacity (Example is San Diego Country Estates) and request is for new dwelling unit or accessory dwelling unit (such as granny flats).

3. It is determined by the District staff, at its sole discretion, that there is adequate storage, transmission main and pump station capacity to serve the parcel, and that:

a. One entire side of the parcel fronts on a two-way pipeline (water may be delivered from two directions), and the parcel is not located where a future line extension is needed on a second side of the parcel; or

b. There is no line extension required and no stranded reach to be built that benefit the parcel.

4. It is determined by the District staff, at its sole discretion, that there is adequate transmission main and pump station capacity but a need for storage capacity to serve the parcel and any required capacity charge and any other applicable charge has been determined or is simple to determine, and

a. One entire side of the parcel fronts on a two-way pipeline (water may be delivered from two directions), and the parcel is not where a future line extension is needed on a second side of the parcel, or

b. There is no line extension required and no stranded reach to be built that benefit the parcel.

F. **Notification of Conditions for Water Service** - the District will notify the applicant in writing with a letter as to the conditions that shall be met in order to obtain water service, which may or may not require executing an "Application for Water System Evaluation" and submitting a deposit. All conditions, costs, fees and charges specified in the letter shall be valid for 180 days from the date the preliminary application was executed. If new information is submitted after the "Notification of Conditions for Water Service" per section 7.28.020 G is provided to the Owner a new application and fee will be required.

G. **Application for Water Service** - an "Application for Water Service" may be accepted by the District when all conditions specified in the letter in item F above have been met. No water service shall be installed, until the "Application for Water Service" has been approved by the District, all conditions met and an amount sufficient to pay all fees, deposits, and charges has been paid to the District and all offsite improvements are completed. Fees are not refundable but unused deposit moneys shall be refunded upon completion of all conditions of water service having been met and a final audit of the account is completed, which is typically 3 months after all conditions are met.

Section 7.28.030 Determination of Meter Size and Equivalent Dwelling Units.

A. The meter size and equivalent dwelling units (EDUs) for a new water service or a change in water service shall be determined as set forth below. The District Engineer shall have the discretion to assign meter sizes and equivalent dwelling units for water uses not specified herein.

B. Water Meter Sizing:

1. Single Family and Multi-Family (individually metered units) shall be ¾-in meters.

2. Multi-Family, Commercial, Industrial, and Irrigation that have landscape areas greater than 5000 square feet shall be required to purchase an irrigation meter per California Water Code 535 for new retail water service for each parcel where retail water service has not been previously provided and application is submitted after January 1, 2007. This requirement does not apply to services used for single family residential or commercial production of agricultural crops or livestock.

3. Multi-Family, Commercial, Industrial, and Irrigation water meter sizing shall be based on the following:

   a. For the fixture units portion of flow the meter size shall be based on intermittent flow limitation.

   b. For the commercial, industrial, process water, and irrigation flows the meter shall be sized based on continuous flow limitation.

   c. For meters that provide water for fixture units and for any combination of commercial, industrial, process water and irrigation water the meter shall be the greater of the size determined in "i" or "ii" or the meter size based on the summation of the flows in "i" and "ii" using the intermittent flow limitation.

Meter Size Table

Meter Size	Continuous Flow	Intermittent Flow
¾ inch	15 gpm	30 gpm
1 inch	25 gpm	50 gpm
1 ½ inches	50 gpm	100 gpm
2 inches	80 gpm	160 gpm

For combinations of flows that include fire sprinklers the maximum allowable flow will be 120% of the intermittent flow set forth in the table above.

C. Determining EDUs - For certain types of uses, indicated below by an asterisk "*", the total EDUs shall be determined by calculating the number of EDUs required for each use and then summing all the EDUs for the parcel(s) being served and rounded-off to the nearest one-hundredth of an EDU. Minimum number of EDUs for a parcel is 1.0.

1. Single-Family Residential Parcels (single parcel)	EDUs
a. Single family or mobile home on an individual parcel:	1.0
b. Additional EDUs on same parcel:	
Accessory dwelling unit:	

i.	Studio	0.7
ii.	One Bedroom	0.8
iii.	Two or more Bedrooms	1.0
iv.	Accessory dwelling unit without a kitchen:	0.5

2. Multi-Family Residential Parcels — EDUs

a.	Individually metered Units	1.0
b.	Apartment ("Apt.") Building/Townhouse/Condo (common meter)	EDUs
i.	Studio*	0.7
ii.	One Bedroom Apt.*	0.8
iii.	Two or more Bedroom Apt.*	1.0
c.	Mobile home and Recreational Vehicle (RV) parks (common meter)	EDUs
i.	Each mobile home space*	1.0
ii.	Each RV vehicle space*	0.6

3. Commercial/Industrial Parcels

EDUs shall be calculated utilizing the total number of Fixture Units as specified below but shall not be less than 1.0 EDU. The number of Fixture Units shall be calculated based on the latest version of the Uniform Plumbing Code.

	EDUs
Each Fixture Unit*	0.05

4. Commercial and Industrial Process Water* and Irrigation Water*

The number of EDUs shall be calculated utilizing the projected average annual daily volume as specified below but shall not be less than 1.0. The formula to determine EDUs from projected water consumption is:

EDUs = Projected Total Water Volume Used in a 12 Month Period (calendar year) (554 gallons/day x 365 days/year)

Water consumption calculations shall be submitted with process/landscaping/irrigation plans in a form acceptable to the District Engineer.

Section 7.28.040 New Water Service.

An owner requesting new water service shall pay all fees, deposits, and installation costs associated with the requested water service; provided, however, that accessory dwelling units shall not be considered a new residential use for the purposes of calculating connection fees or capacity charges. In addition, it shall not be required for an owner to install a new or separate connection directly between the accessory dwelling unit and the District, and no related connection fee or capacity charge shall be assessed for an accessory dwelling unit that is contained within the existing space of a single-family residence or accessory structure, has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety.

Section 7.28.045 Out-of-District Water Service.

An Out-of-District property owner may apply for Out-of-District water service for its property if: 1) the property is within the boundaries of another CWA member agency; 2) they obtain a letter from the other member agency approving RMWD water service to the property; and 3) the other member agency and RMWD execute an interagency agreement. Board approval of the interagency agreement is required prior to the District Engineer executing the Out-of-District Water Service Agreement. The Out-of-District property owner shall execute an "Out-of-District Water Service Agreement," prior to interagency agreement going to the RMWD Board, pay all fees, deposits, and installation costs associated with the requested water service in accordance with RMWD's Legislative Code and shall be billed at the construction rate for water. In addition to the aforementioned fees and costs, the Out-of-District property owner shall pay an Out-of-District inclusion fee of $12,611 per EDU. The Out-of-District Water Service Agreement shall make clear that Out-of-District water service may be interrupted at any time if the District has a water shortage.

Section 7.28.050 Abandoned Water Service.

A. The only way to avoid monthly system charges is to abandon the metered water service.

B. An owner applying for abandonment of water service shall acknowledge in writing on a form acceptable to the District that:

1. The water service is being abandoned,

2. That to obtain water service for the same parcel in the future will require applying for new water service and payment of all then current fees and charges, and

3. There is no credit for any fees or deposits paid for the water service being abandoned.

C. The District may declare a metered water service as "abandoned" because of failure of owner to pay for water service.

D. If a water service is abandoned for any reason, the owner may be required to pay the cost of removal of the water service lateral and fixture. The owner shall make a deposit for a "~~complex meter and lateral installation~~Lateral Meter Installation Deposit" per section 7.16.030 to cover the cost of abandoning.

Section 7.28.060 Relocating Water Service.

A. An owner may apply for water service relocation only on a parcel and shall pay all costs associated with the potential removal of the existing water service and lateral and installation of a same size new water service lateral and fixtures.

B. The owner shall make a deposit for a "~~complex meter and lateral installation~~Lateral Meter Installation Deposit" per section 7.16.030.

C. A water service shall only be relocated on a parcel.

D. No meter sizing or EDU determination is made as a result of a relocation only in the same pressure zone.

Section 7.28.070 Down-sizing Water Service.

A. An owner may apply to exchange an existing meter for a smaller meter. This will not result in a change in the EDUs required and no refund of fees or charges paid. It may result in a reduction in monthly system charges.

B. The owner requesting downsizing the water service size shall pay all costs associated with removal of the larger meter, modifying the system to accommodate a smaller meter and installation of a smaller meter. The installation cost will be for a drop-in per section 7.16.030 of this code. If smaller meter is to be placed at a different location(s) on the parcel see section 7.28.060.

C. The District shall determine meter size and EDUs and if an increase in EDUs is warranted the owner shall pay the additional fees and charges. If a decrease in EDUs is determined, the District does not refund fees and charges.

Section 7.28.080 Up-sizing Water Service.

A. An owner who applies for an increase in water service for metered water service will receive credit for the current Water Capital Improvement Fee, ~~Conservation Offset Fee,~~ and San Diego County Water Authority CIP and water treatment fees for the existing meter towards the fees for the larger meter. If the new metered water service does not require a new water service lateral the installation costs will be for a drop-in per 7.16.030.

B. If the existing water service lateral cannot be used the owner shall pay all costs associated with increasing the water service size, which may include removal of the smaller water service lateral and fixtures and installation of the larger water service lateral and fixtures. The owner shall make a deposit for a "~~complex meter and lateral installation~~Lateral Meter Installation Deposit" per section 7.16.030.

C. The District shall determine meter size and EDUs and if an increase in EDUs is warranted the owner shall pay the additional fees and charges and comply with any conditions that result from a water system evaluation. If a decrease in EDUs is determined the District does not refund fees and charges.

Section 7.28.085 Allocation of Existing Water Service for Subdivisions.

A. If a parcel that has treated metered water service is subdivided by the existing Owner, the existing water service and EDUs may be assigned to any of the new parcels created by the subdivision as long as the parcels remain owned by the existing Owner. Once the new parcels are transferred to a new owner existing water service and EDUs shall not be reallocated to the new Owner.

B. If the existing water service is assigned more than 1.0 EDU the existing owner may allocate the EDUs to as many of the new parcels created by the subdivision as the existing EDUs will accommodate. Any balance in EDUs will not result in a refund of fees or charges, but may be assigned by the existing Owner to any of the new parcels.

C. The existing Owner of the subdivided parcel requesting the water service to any of the new parcels created by the subdivision shall pay all costs associated with removal of the larger meter, modifying the system to accommodate one or more smaller meters and installation of the smaller meters. The installation cost to use the existing service location will be for a drop-in per Section 7.16.030 of this code. Any meter to be placed at a different location(s) on any of the new parcels shall be treated as a new installation per Section 7.16.30 of this code.

D. The existing Owner of the subdivided parcel shall receive credit for the current Water Capital Improvement Fee, ~~Conservation Offset Fee,~~ and San Diego County Water Authority CIP and Water Treatment Fees for the existing meter, based on the EDUs assigned to the meter, towards the fees for the smaller meters.

E. The existing Owner of the subdivided parcel shall satisfy all conditions established by the District in the Water System Evaluation and pay all mitigation fees per Section 7.76 of this code.

Section 7.28.090 Meter Modification Due to Exceeding Meter EDUs or Flow.

A. This section applies to all new water services effective 5/10/2005 but shall not be applied to water services established prior to 5/10/2005 unless the owner makes application for new or changed water service.

B. If during any calendar year the actual EDUs and/or Average Annual Daily (ADD) flow of a metered water service exceeds the EDUs and/or ADD flow projected in the latest Application for Water Service the District shall require the owner execute an Application for Water Service and pay the additional fees and charges associated with the increase in EDUs.

C. If the actual flows through a meter cause physical damage to the meter or result in erroneous readings, the District shall require that the owner increase the meter size to avoid future damage to the meter.

D. The cost to increase meter size shall be paid by the Owner in accordance with Section 7.28.080 above.

Section 7.28.100 Water Service Installation.

A. Water service laterals and components for meters between the public water line and the limits of a public right-of-way or District easement, that connect to an active water line, shall be installed by the District staff or its designated contractor.

B. The owner or its contractor may install water service laterals that are installed on an inactive water line. The District may, at its sole discretion, take a water line out of service to allow the Owner or its contractor to install the water laterals and components.

C. The components of fire hydrants and FDCs that are on private property shall be installed and maintained by the owner.

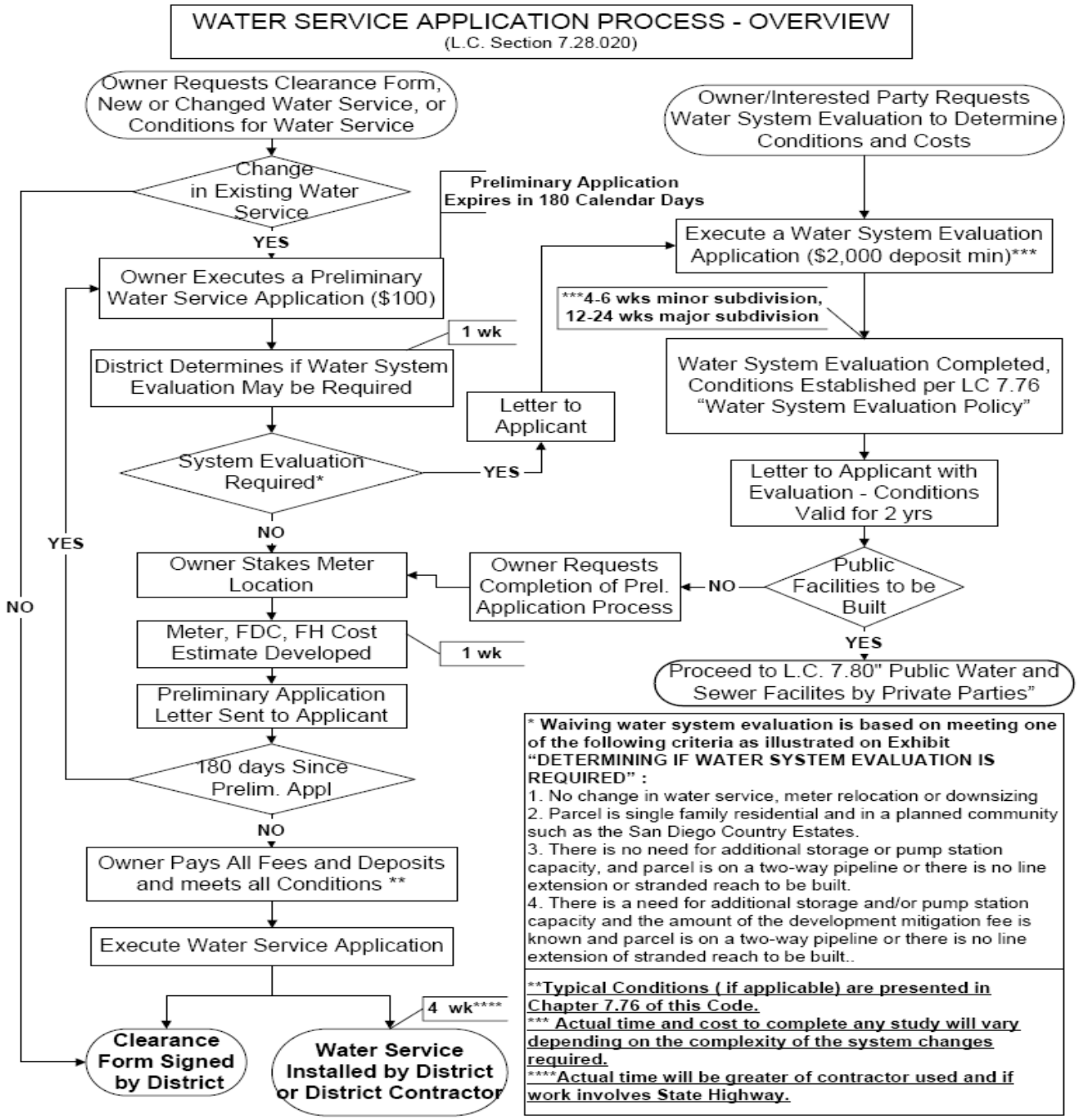
D. Water meters and public fire hydrants shall be maintained by the District.

E. Installation of fire hydrants (FH) and fire department service connections (FDC) to serve a specific development or single parcel of land shall be installed at the owner or developer's sole expense in accordance with Chapter 7.80 of this Code.

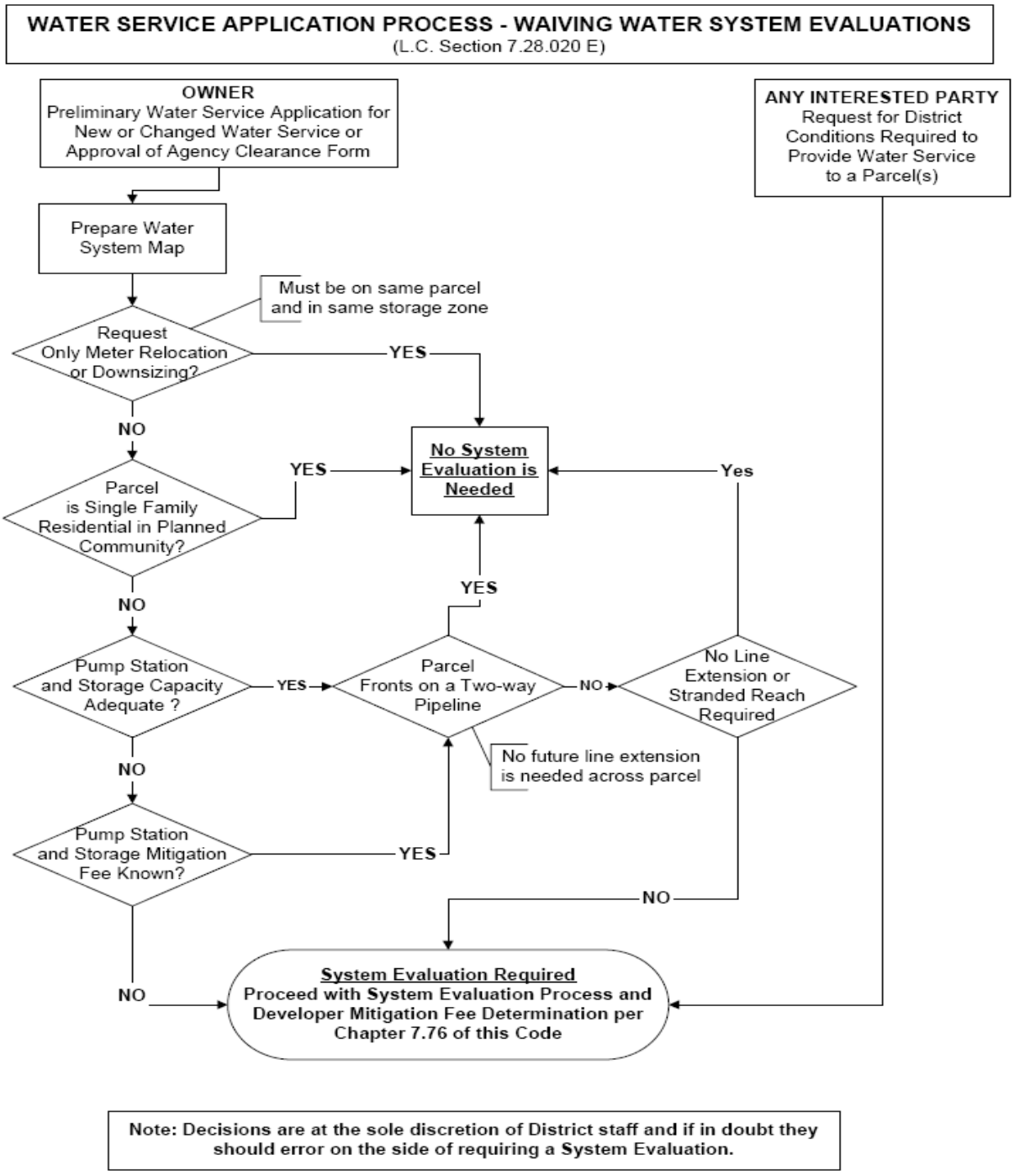
RMWD LEGISLATIVE CODE

Exhibit B

EXHIBIT "WATER SERVICE APPLICATION PROCESS - OVERVIEW"



RMWD LEGISLATIVE CODE
Exhibit B
EXHIBIT "WATER SERVICE APPLICATION PROCESS – WAIVING WATER SYSTEM EVALUATIONS"



Note: Decisions are at the sole discretion of District staff and if in doubt they should error on the side of requiring a System Evaluation.

RMWD LEGISLATIVE CODE

Exhibit C

Chapter 7.44

RECYCLED WATER

Contents:

Section 7.44.010 Findings.

The District hereby finds the following:

A. The policies described in this Chapter and incorporated into the Rules and Regulations adopted pursuant to this Chapter are in the best interest of the District.

B. This Chapter is necessary to protect the common water supply of the region which is vital to public health and safety, and to prevent endangerment of public and private property.

C. This Chapter is further necessary for compliance with California Regional Water Quality Control Board, San Diego Region orders regulating recycled water production at the Ramona Municipal Water District San Vicente Treatment Plant and the Ramona Municipal Water District Santa Maria Water Reclamation Plant.

D. San Diego County is highly dependent on limited imported water for domestic, agricultural and industrial uses. By developing and utilizing recycled water, the need for additional imported water can be reduced.

E. Certain uses of domestic water may be considered unreasonable or to constitute a nuisance where recycled water is available or production of recycled water is unduly impaired.

Section 7.44.015 Reclaimed Water Facilities.

A. It is the mission of the District to continue to promote the transformation of wastewater into recycled water, and to increase its reclaimed water presence in the region to meet increasing demand, for the following purposes:

1. To safeguard water resources within the District;

2. To offset demand for potable and imported water;

3. To provide water sources for uses including agricultural irrigation, landscaping and golf courses, and

4. To provide an alternative to the discharge of treated wastewater into surface waters.

B. The Santa Maria and San Vicente Wastewater Treatment Plants facilitate the purposes set forth in subsection A by creating, storing and selling reclaimed water, in addition to performing traditional sewage treatment functions. Accordingly, the District hereby finds the following:

1. The San Vicente Wastewater Treatment Plant is renamed the San Vicente Water Reclamation Plant, and shall be referred to by this name wherever it is used in this Code;

2. The Santa Maria Wastewater Treatment Plant is renamed the Santa Maria Water Reclamation Plant, and shall be referred to by its new name wherever it is used in this Code; and

3. The reclaimed water portions of the San Vicente Water Reclamation Plant and the Santa Maria Water Reclamation Plant are assigned to the sewer side of District operations.

Section 7.44.020 Applicability.

The requirements set forth in this Chapter and the Rules and Regulations adopted pursuant to this Chapter pertain to reclaimed and recycled water service provided by the District within the District's service area and for which valid waste discharge requirements have been established. These rules and regulations establish design and operational criteria for facilities using recycled water. These include full recognition of Title 17, Chapter 5 of the California Administrative Code dealing with protection of public water supplies by ensuring no cross connection, and full

recognition of the Health Department "Guidelines for Use of Recycled Water for Irrigation and Impoundments."

Section 7.44.030 Authorized Uses for Recycled Water.

The uses of recycled water include only uses approved by the California Department of Public Health and for which Title 22 of the Administrative Code provides treatment requirements. Each use must be considered for approval by the District on a case-by-case basis. The District may determine, in its discretion, the need for additional conditions and may set forth specific requirements as a condition of providing recycled water service, and may require specific prior approval from the appropriate regulatory agencies. Recycled water for customer use shall be provided on a first come, first served basis, as long as recycled water is available. The District shall not be obligated to provide service beyond its capacity to do so.

Section 7.44.035 Mandatory Use.

A. The following types of uses shall generally require recycled water: agricultural irrigation, construction use, landscape irrigation, landscape and/or recreation impoundments, and wildlife habitat, these being called “mandatory” types of use. Use of potable water by any person, customer, or property for mandatory recycled water uses is prohibited where recycled water is available and offered by the District to the property, suitable for the use, and the use of recycled water for the mandatory use is economically feasible.

B. Where recycled water service is available, suitable for the use, and economically feasible, the District may require existing customers to convert to or to maintain recycled water for mandatory types of uses. The District will require applicants for new water service to provide for separate recycled systems for mandatory types of uses associated with future development that would otherwise be served with potable water, where recycled water service is currently available to the property or planned for the near future.

C. The only exceptions to the mandatory use of recycled water shall be based upon a finding by the District that conversion to and use of recycled water would not be economically feasible or that use of recycled water presents a special public health or safety concern.

D. The District Engineer has the authority to issue mandatory use determinations and the General Manager has the authority to rule on any appeals of such determinations as more specifically detailed in the Rules and Regulations.

E. Upon notification by the District, all mandatory recycled water users shall successfully complete the application process detailed within the District's Recycled Water Rules and Regulations and comply with all required conditions, including entering into any user agreements that are required for the service.

Section 7.44.040 Rules and Regulations.

A. The District General Manager or designee shall develop, adopt, and implement Rules and Regulations to implement the requirements of this Chapter, and State and Federal laws regulating the production, sale and use of recycled water. The General Manager, or his designee, has the authority to enter into any necessary user permits or agreements for the provision of recycled water if required by the Rules and Regulations.

B. The District General Manager or designee shall update the Rules and Regulations as necessary to maintain compliance with all applicable State and Federal laws, rules, regulations, and permits regulating the production, sale and use of recycled water.

C. Any and all uses of recycled water within the District shall be in compliance with the Rules and Regulations.

Section 7.44.045 Recycled Water Rate.

It is the policy of the District to price recycled water at a rate below the price of potable water and to also take into consideration the reasonable cost of providing the recycled water service to encourage existing customers of the District to convert existing uses to recycled water where appropriate. All recycled water rates and charges will be as set forth in a resolution adopted by the Board of Directors. The District reserves the right to change any of the rates or service charges at any time.

Section 7.44.050 Illegal Connections.

No person shall make connection to a recycled water distribution system of the District without a permit and/or contract as determined by the District.

Section 7.44.060 Public Nuisance.

A. Discharge of wastes or the use of recycled water in any manner in violation of this chapter or of any permit issued hereunder is declared a public nuisance and shall be corrected or abated as directed by the District. Any person creating such a public nuisance is guilty of a misdemeanor.

B. The use of recycled water shall not cause pollution, contamination, or nuisance as defined by Section 13050 of the California Water Code.

Section 7.44.070 Enforcement and Penalties.

A. Any person, firm, corporation, association or agency found to be violating any provision of this Chapter, the Rules and Regulations adopted pursuant to this Chapter or the terms and conditions of the customer's service agreement, permit or any applicable federal, state or local statute, regulation, resolution, ordinance or other requirement shall be served by the District with written notice, stating the nature of the violation and providing a reasonable time limit for the satisfactory

correction thereof. The offender shall immediately, or within the period of time stated in such notice, permanently cease all violations.

B. Failure to permanently cease all violations as specified by the District shall result in revocation of the permit by the District and termination of recycled water service.

C. In cases where the serious nature of the violations described above requires immediate action, the District may, in its sole discretion, immediately cease recycled water service, subject to a timely decision on permanent revocation of permit by the Board of Directors of the Ramona Municipal Water District.

D. Re-establishment of Recycled Water Service. Any request to re-establish service subsequent to revocation of the permit or contract and the termination of recycled water service shall be in the manner described for initially obtaining service from the District, which may include the collection of a security deposit. The District may, at its discretion, deny re-establishment of service or require that an agreement of financial security conditioned upon compliance with these rules and regulations be provided. The foregoing provisions of these rules and regulations are a requirement of any permit, and any application for service and permit therefore shall be subject to such provisions.

Section 7.44.071 Injunction Allowed.

Whenever a discharge of wastes or use of recycled water is in violation of this chapter or otherwise causes or threatens to cause a condition of nuisance, the District may seek injunctive relief as may be appropriate to enjoin such discharge or use.

Section 7.44.072 Permit Revocation.

In addition to any other statute or rule authorizing termination of water service, the District may revoke a permit issued hereunder if a violation of any provision of this chapter is found to exist or if a discharge of wastes or use of recycled water causes or threatens to cause a nuisance.

Section 7.44.073 Violation: Penalty.

A. Any owner and/or operator who violates this chapter shall, for each day of violation, or portion thereof, be subject to fines as follows:

1. For the first violation, a fine not exceeding fifty dollars ($50).

2. For a second violation within twelve months of the first violation, a fine not exceeding one hundred dollars ($100).

3. For a third or any subsequent violation within twelve months of the first violation, a fine not exceeding two hundred fifty dollars ($250).

B. In addition, water service to the property may be discontinued due to a violation(s) of this chapter.

Section 7.44.074 RWQCB Enforcement.

The California Regional Water Quality Control Board, San Diego Region may initiate enforcement action against any recycled water user who:

A. Discharges recycled water in violation of any applicable discharge requirement prescribed by the Regional Board or in a manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in California Water Code section 13050.

B. Uses, transports, or stores such water in violation of the rules and regulations governing the design, construction and use of recycled water distribution and disposal systems issued by the Recycled Water Agency in accordance with this attachment; or in a manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in California Water Code section 13050.

Section 7.44.075 Remedies Cumulative.

The enforcement provisions of this Chapter are in addition to and do not supersede or limit any and all other remedies, civil or criminal. The remedies provided for herein shall be cumulative and not exclusive.

Section 7.44.080 Applying for Recycled Water Service.

A. To determine what conditions will be set by the District for providing recycled water service to a development or parcel requires execution of an "Application for Recycled Water Service" as defined in the District's Recycled Water Rules and Regulations.

B. Application for Recycled Water Service - Any interested party, individual, partnership, corporation, or other legal entity, including the owner of a development or parcel, may execute an "Application for Recycled Water Service" as outlined in the District's Recycled Water Rules and Regulations to define what conditions will be set by the District for providing recycled water service. All requirements of the District Recycled Water Rules and Regulations shall be completed by the interested party prior to provision of recycled water service.

C. Notification of Conditions for Recycled Water Service - The District will notify the applicant, in accordance with the District Recycled Water Rules and Regulations, in writing with a letter as to the conditions that shall be met to obtain recycled water service, which will include submitting a deposit. All conditions, costs, fees and charges specified in the letter shall be valid for 180 days from the date the application was executed. If new information is submitted after the "Notification of Conditions for Recycled Water Service" per the District Recycled Water Rules and Regulations is provided to the applicant, a new application, deposit and fees will be required. The deposit shall be determined by the District Engineer based on

the complexity and overall requirements of the proposed project, but shall not be less than $2,000, consistent with Chapter 2.44 of this Code.

D. Recycled Water Service - No recycled water service shall be installed, until the "Application for Recycled Water Service" has been approved by the District, all conditions met and an amount sufficient to pay all fees, deposits, and charges has been paid to the District and all offsite improvements are completed. Fees are not refundable but unused deposit moneys shall be refunded upon completion of all conditions of recycled water service having been met and a final audit of the account is completed, which is typically three months after all conditions are met.

Section 7.44.090 Determination of Recycled Water Meter Size.

A. The recycled water meter size for a new recycled water service or a change in recycled water service shall be determined based on the identified recycled water demand and as set forth in the District Recycled Water Rules and Regulations. The District Engineer shall have the sole discretion to assign meter sizes for recycled water uses.

Section 7.44.100 New Recycled Water Service.

An applicant requesting new recycled water service shall pay all fees, deposits, and installation costs associated with the requested recycled water service.

Section 7.44.110 Abandoned Recycled Water Service.

A. An applicant applying for abandonment of recycled water service shall acknowledge in writing on a form acceptable to the District that:

1. The recycled water service is being abandoned,

2. That to obtain recycled water service for the same parcel in the future will require applying for new recycled water service in accordance with the District Recycled Water Rules and Regulations, and payment of all then current fees and charges, and

3. There is no credit for any fees or deposits paid for the recycled water service being abandoned.

B. The District may declare a metered recycled water service as "abandoned" because of failure of owner to pay for recycled water service.

C. If a recycled water service is abandoned for any reason, the owner will be required to pay the cost of removal of the recycled water service lateral and fixtures. The owner shall make a deposit for a "~~complex meter and lateral installation~~Lateral Meter Installation Deposit", as defined in Section 7.16.030 of this Code, to cover the cost of abandoning.

Section 7.44.120 Meter Modification Due to Exceeding Meter Flow.

A. If the actual flow through a recycled water meter causes physical damage to the meter or result in erroneous readings, the District shall require that the owner increase the meter size to avoid future damage to the meter. The cost to increase meter size shall be paid by the owner.

Section 7.44.130 Recycled Water Service Installation.

A. Recycled water services shall be installed in accordance with the District Recycled Water Rules and Regulations.

Section 7.44.140 Excess Recycled Water.

The General Manager has the authority to enter into any necessary agreements with customers related to forced deliveries of excess recycled water if necessary for District operations.

Ramona Municipal Water District

Water Capacity Fee and Connection Fee Study Report

Report / June 21, 2019

RAFTELIS
FINANCIAL CONSULTANTS, INC.

June 21, 2019

Mr. David Barnum
General Manager
Ramona Municipal Water District
105 Earlham Street
Ramona, CA 92065

Subject: Water Capacity Fee and Connection Fee Study Report

Dear Mr. Barnum,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Water Capacity Fee and Connection Fee Study Report (Report) to the Ramona Municipal Water District (District). Our recommendations are based on sound principles and defensible methodologies, and we are confident that the recommendations will result in fair and equitable fees for the District's customers.

Ramona Municipal Water District (District) contracted with Raftelis Financial Consultants, Inc. (Raftelis) to conduct a Water Capacity Fee and Connection Fee Study (Study). This report describes how Raftelis calculated new capacity fees in accordance with the rules and regulations of Assembly Bill 1600 (AB 1600), Section 66013. This report is formal technical documentation in support of modifications to the capacity fees and connection fees within the District's service area.

In this report capacity fee means the cost of providing capacity in the current water system to a new user. Connection fee is the cost of physically connecting a user to the water system including the cost of installation and materials needed.

The study develops updated capacity fees for the District's water system based on a comprehensive review of the District's existing assets, to the extent possible the capital improvement plan, and the system usage. Connection fees were developed based on estimates of both direct costs, such as time and materials, and indirect costs, such as overhead.

INTRODUCTION

The purpose of this report is to develop updated capacity fees and connection fees for the District's water system. Capacity fees are one-time fees, collected as a condition of establishing a new connection to the District's water systems or the expansion of an already existing connection. The purpose of capacity fees is to pay for development's share of the costs of existing and/or new water facilities. These fees are designed to be proportional to the demand placed on the systems by the new or expanded connections. The recommended capacity fees for the District do not exceed the estimated reasonable costs of providing the facilities for which they are collected and are of proportional benefit to the property being charged. Connection fees or user fees are charges for services provided by the District that primarily benefit an individual or group. The basic concept of a connection fee study is to determine the

"reasonable cost" of each service provided by the District for which it charges user fees. This report documents the data, methodology, and results of the Water Capacity Fee and Connection Fee Study (Study).

As part of the District's review of rates and fees, the capacity fees are being updated to ensure new system users or existing users requiring increased system capacity recover their fair share of the costs associated with the water facilities required to serve them. The District's existing capacity fee consists of the following components: a Capital Improvement component, a Conservation Offset component, and a Storage Component (when applicable). The Capital Improvement component was last updated in 1995 and has not been adjusted to account for changes in the system or to keep pace with inflation. The full-time Conservation Offset component was added in 1991 and has not been adjusted since implementation. The Storage component is determined based on the location of the parcel and storage zone requirements; the storage component include the Black Canyon Storage and Boulder Storage components which are based on settlement agreements. In addition to the capacity fees from the District, customers are subject to two pass-through capacity charges outside of the District's control from San Diego County Water Authority (SDCWA). Similarly, the District's connection fees were implemented many years ago and have not been updated to keep pace with inflation and no longer reflect the costs incurred by the District to provide services

RESULTS AND RECOMMENDATIONS

1. CAPACITY FEES

Currently, the District's Water Capacity Fee consists of the following components: Capital Improvement component, Conservation Offset component, and a Storage component (where applicable). The existing capacity fees were determined based on equivalent dwelling units (EDUs), where ¾" meters represent 1 EDU. Table 1 summarizes the current water capacity fees where the base meter size, ¾", reflects the fee per EDU. The EDUs will be determined by the District at the time of application. Note, all new connections pay the Capital Improvement and Conservation Offset Fees, however, only certain connections will pay Water Storage fee depending on their location and storage needs. The existing capacity fees have not been adjusted to account for either changes in the system or for costs associated with inflation since the fees were last updated in 1995; as a result, the fees are no longer reflective of a new connection's share of capital facilities.

Table 1: Existing Water Capacity Fees

	Capital Improvement ($/EDU)	Conservation Offset ($/EDU)	Water Storage ($/EDU	Existing Capacity Fee ($/EDU)
General District	$7,000	$750	$5,300	**$13,050**
Black Canyon Zone[1]	$7,000	$750	$5,300	**$13,050**
Boulder Zone[2]	$7,000	$750	$6,000	**$13,750**
SDCE Zone[3]	$7,000	$750	N/A	**$7,750**

[1] Only new connections as defined in the Settlement and Mutual Release Agreement dated July 13, 2010 are subject to the Black Canyon Storage Capacity Fee

[2] Only new connections as defined in the Settlement and Mutual Release Agreement dated March 27, 2008 are subject to the Boulder Storage Capacity Fee

[3] The San Diego Country Estates Zone has been built-out and does not require additional storage under current configuration.

In addition, District customers are subject to capacity charges from San Diego County Water Authority (SDCWA) for which the District has no control. The SDCWA System Charge of $5,267 and SDCWA Water Treatment Charge of $146 per ¾" meter are passed-through from SDCWA and increase according to the size of the meter. Current SDCWA capacity charges can be found on their website at: https://www.sdcwa.org/capacity-charges.

The analysis herein utilizes the Equity Buy-in Method to determine a component comparable to the "Capital Improvement" capacity fee and the Incremental Cost Method to determine a component to capture the additional storage needs required to serve future customers. The Incremental Cost component will vary based on the location (pressure zone) of the new connection. Through discussions with District staff and based on the available data, the Conservation Offset fee will be eliminated. Table 2 summarizes the proposed water capacity fees. Similar to the current capacity fee schedule, the proposed capacity fees are based on EDUs. The actual EDUs required for each parcel will be determined by the District at the time of application and based on the proposed development. In addition to the proposed fees shown below, the District will continue to pass-through capacity charges from the SDCWA as noted above.

Table 2: Proposed Water Capacity Fees

	RMWD CIP Fee (Buy-In Component) ($/EDU) **[A]**	**Water Storage Fee (Incremental Component)** ($/EDU) **[B]**	**Proposed Capacity Fee** ($/EDU) **[C]= (A + B)**
Black Canyon Zone	$8,740	$5,300	**$14,040**
Boulder Zone	$8,740	$6,000	**$14,740**
Zones w/ Storage Needs	$8,740	$1,967	**$10,706**
All Other Zones	$8,740	$0	**$8,740**

1.A. Methodology

For publicly owned water systems, most of the assets are typically paid for by the contributions of existing customers through rates, charges, securing debt, and taxes. In service areas that incorporate new customers, the infrastructure developed by previous customers is generally extended towards the service of new customers. Existing customers' investment in the existing system capacity allows newly connecting customers to take advantage of unused surplus capacity. To further economic equality among new and existing customers, new connectors will typically "buy-in" to the existing and pre-funded facilities effectively putting them on par with existing customers. In other words, the new users are buying into the existing system through a payment for the portion of facilities that has already been constructed in advance of new development.

1.B. Economic Framework

The basic economic philosophy behind Capacity Fees is that the costs of providing service should be paid for by those that receive utility from the product. In order to effect fair distribution of the value of the system, the charge should reflect a reasonable estimate of the cost of providing capacity to new users, and not unduly burden existing users through a comparable rate increase. Accordingly, many utilities make this philosophy one of their primary guiding principles when developing their capacity fee structure.

The philosophy that service should be paid for by those that receive utility from the product is often referred to as "growth-should-pay-for-growth." The principle is summarized in the American Water Works Association (AWWA) *Manual M26, Water Rates and Related Charges*:

> *"The purpose of designing customer-contributed-capital system charges is to prevent or reduce the inequity to existing customers that results when these customers must pay the increase in water rates that are needed to pay for added plant costs for new customers. Contributed capital reduces the need for new outside sources of capital, which ordinarily has been serviced from the revenue stream. Under a system of contributed capital, many water utilities are able to finance required facilities by use of a 'growth-pays-for-growth' policy."*

In this excerpt, customer-contributed-capital system charges are equivalent to capacity fees.

1.C. Capacity Fee Calculations

Equity Buy-In Component (RMWD CIP)

The Buy-In component developed below will be applicable to all new connections, regardless of the pressure zone, and will be based on equivalent units. Existing customers have already developed a majority of the facilities that will serve new customers, therefore, new customers will pay an amount equal to the net investment made by existing users.

Table 3: Water Assets/System Value

Asset Class	Original Cost [A]	Replacement Cost (2017 $) [B]	RC Depreciation [C]	RCLD Asset Values [D] = (B-C)
Meters Maintenance	$158,263	$388,350	$387,610	$740
Pumping Facilities	$11,269,253	$15,592,621	$8,491,862	$7,100,759
Systems	$16,606,429	$39,783,235	$13,279,533	$26,503,702
Transmission & Distribution	$50,378,265	$116,351,100	$82,010,202	$34,340,898
Treatment	$3,143,951	$10,824,808	$10,162,736	$662,072
Water Supply	$30,864,497	$72,362,813	$42,480,066	$29,882,747
Total	**$112,420,657**	**$255,302,926**	**$156,812,009**	**$98,490,918**

Net System Value

Once the systems asset value is calculated, the outstanding debt principal of $3,805,000 is subtracted to arrive at the net system value. Debt was issued to help finance the assets captured in the system value, however, once connected water customers contribute to paying off the outstanding debt through the monthly water rates. Therefore, it is necessary to reduce the system value by the outstanding debt to prevent double charging. Table 4 summarizes the calculation of the net system value.

Table 4: Net System Value

Net System Value	
System Value	$98,490,918
- Outstanding Debt Principal	($3,805,000)
Net System Value	**$94,685,918**

Current Demand of the System

The next step in calculating the buy-in component of the capacity fee is to determine the current demand placed on the system by total connected meters. Dividing the net value of the system by total hydrologic capacity of the meters provides a unit cost for the capacity fee. For water systems, capacity is usually expressed in equivalent units or equivalent meters rather than the number of service connections since different meter sizes place varying levels of demand on the system. The benefit of using equivalent meters is that it relates the relative capacity of service connections with meters of various sizes i.e. accounts for larger meters generating more demand.

Raftelis utilized account information provided by the District to determine the current number of meters by meter size for the service area. Next, the San Diego County Water Authority capacity ratios were used to determine the equivalent meter ratios[3]. The typical single-family residential base meter for the District is a 3/4" meter. As shown in Table 5, the number of meters (by size) was multiplied by the respective equivalent meter ratio to obtain the total meter equivalents of 11,162, which is reflective of the current demand of the system.

Table 5: Meter Equivalents

Meter Size [A]	SDCWA Ratio[7] [B]	Meter Count [C]	SDCWA Equivalent Meters [D] = (B x C)
3/4" or smaller	1.00	8,953	8,953
1"	1.60	379	606
1.5"	3.00	132	396
2"	5.20	188	978
3"	9.60	17	163
4"	16.40	4	66
6"	30.00	-	-
8"	52.00	-	-
Total		**9,673**	**11,162**

The next step in determining the Buy-In component of the capacity fee is to divide the net value of the system by the total equivalent meters. The net value of the water system is approximately $94,685,918. The net value of the system is then divided by the total system capacity (or demand) expressed in total equivalent meters (11,162) to determine the per equivalent unit cost of $8,483. Table 6 summarizes the calculation of the Buy-In component of the capacity fee per equivalent unit. Since the assets were dated as of 2017, Raftelis recommends inflating the buy-in component by (~3%[4]) to account for the change in CCI.

[3] The San Diego County Water Authority Ratios (factors) can be found at https://www.sdcwa.org/capacity-charges

[4] Inflationary adjustment (Δ CCI 2017 through 2018) = (2018 CCI – 2017 CCI)/2017 CCI or (11,062 – 10,737) / 10,737 = 0.030 or ~3%

Table 6: Equity Buy-In Component Calculation

Equity Buy-In Component	
Net System Value	$94,685,918
÷ Current Demand	11,162
Buy-In (2017 $)	$8,483
+ Inflation *(Δ CCI from 2017 = 3%)*	$257
Proposed Buy-In	**$8,740 per EDU**

Incremental Cost Component

The Incremental Cost Component will vary based on the pressure zone / location of the connection. For new customers within the Black Canyon pressure zone or the Boulder pressure zone, the incremental component is based on the respective Settlement and Mutual Release Agreements on file with the District. For new connections subject to the agreement for the Black Canyon storage tank, the Incremental Cost component is set at $5,300 per equivalent unit. For new connections subject to the agreement for the Boulder storage tank, the Incremental Cost component is set at $6,000 per equivalent unit. The determination of the incremental cost component for the remaining three pressure zones requiring additional storage facilities to accommodate growth is described below.

Growth-Related Capital Improvements

The first step in calculating the Incremental Cost component of the capacity fee is to determine the total growth-related capital improvement necessary to provide service to the projected future users. The District's internal analysis forecasted future growth and average day demand within each water pressure zone. Based on this analysis, it was determined that three pressure zones require additional storage facilities to meet projected demand. The projected costs included estimated construction costs, land acquisition, design, and other soft costs for a total anticipated cost of $6,700,000.

Incremental Increase in Capacity

The next step in determining the Incremental Cost component of the capacity fee is to divide the cost of the growth-related capital improvements by the incremental capacity associated with the project(s). Based on the forecasted growth and average day demand, the addition of approximately 3,407 equivalent dwelling units will require additional storage of 3.35 million gallons. Table 7 summarizes the Incremental Component calculations in terms of EDU's (as provided by the District) and in terms of gallons.

Table 7: Incremental Component Calculation

Incremental Cost Component		
Growth-related CIP $	$6,700,000	$6,700,000
÷ Incremental Capacity	3,350,000 gallons	3,407 EDU's
Incremental Cost	**$2.00 per gallon**	**$1,967 per EDU**

2. CONNECTION FEES

The basic concept of connection or user fees is to determine the "reasonable cost" of each service provided by the District for which it charges a fee. The full cost of providing a service is typically seen as an objective basis for determining the fees. Table 8 summarizes the existing connection fees. These fees have not been adjusted since 1995 and no longer recover the costs incurred to provide the services to customers.

Table 8: Existing Connection Fees

Fee Description	Existing	
Application Fee		$100
Meter Only (drop-in)		
3/4"		$202
1"		$252
1 1/2"		$686
2"		$755
Meter and Lateral Installation	**Standard**	**Complex (Deposit)**
3/4"	$1,856	$2,700
1"	$1,911	$2,700
1 1/2"	$2,784	$3,700
2"	$2,853	$3,700

This Study utilized time and material estimates, salary and benefit information, and indirect overhead costs to determine the adequate connection fees to cover the costs associated with the cost of materials and labor required to complete each connection. The proposed fees reflect the typical cost associated with providing each respective service, however, the actual costs may vary depending on the complexity of the installation. The District will evaluate each project on a case-by-case basis and additional costs, if applicable, may be charged to the applicant. The proposed fees/deposits are summarized in Table 9.

Table 9: Proposed Connection Fees

Fee Description	Proposed Deposits/Fees
Application Fee	$191
New Meter Installation	
3/4"	$776
1"	$1,009
1 1/2"	$1,411
2"	$1,666
Lateral Installation	**Deposit**
3/4"	$3,095
1"	$3,328
1 1/2"	$3,694
2"	$3,949

Connection fees or user fees are necessary to ensure that customers are compensating the District for the cost of service that they are provided. Similar to capacity fees, the basic statutory standards governing connections fees are embodied by California Government Code Sections 66013, 66016, 66022 and 66023. The Code requires that the District Board adopt fees by either ordinance or resolution, and that any fees which exceed the estimated full cost of rendering the related services be approved by a popular vote of two-thirds of those electors voting because a fee that exceeds the estimated full cost would be considered a tax and not a fee. The fees in this Study do not exceed the estimated full cost, are not considered a tax, and therefore, do not require a popular two-thirds vote[5]. Unlike capacity fees, connection fees or user fees are not required to be deposited into a capital facilities fund.

The standard fee limitation established in California law for connection fees (such as meter and lateral installations) is the "estimated, reasonable cost" principle. The total cost of each service included in this analysis is primarily based on the fully burdened hourly rates (FBHR's) that were determined for District personnel directly involved in providing each service. The FBHR's include not only personnel salary and benefits, but also costs that are reasonably ascribable to personnel such as departmental support and supervision. FBHR's are then used in conjunction with time, material, travel, and indirect overhead estimates. The following sections summarize the determination of each proposed fee.

2.A. Connection Fee Calculations

Each of the following fees were determined based on a cost build-up approach which included:

- **Direct Labor costs** were determined by multiplying the FBHR by the estimated hours of labor for each position or employee that works on the service.
- **Overhead costs** were calculated by multiplying the overhead percentage of 59.4%[6] by the estimated Direct Labor costs. Overhead costs help recover the costs associated with operations, administration, and central services support.
- **Travel costs** were calculated by multiplying the average round-trip distance of 15 miles by the mileage rate of $0.58 as determined by the Internal Revenue Service for 2019. Travel costs help recover the costs of operating a standard vehicle.
- **Material costs** include estimated office supplies, meters, pipeline, etc. These costs may vary by the size of the meter.

Application Fee

The application fee recovers the cost of District's staff time reviewing the application, traveling to and from the site to verify the project needs, overhead costs, and minimal materials costs. Table 10 summarizes the determination of the Direct Labor costs and Table 11 summarizes the total application fee calculation. The proposed application fee of $191 has been rounded to the nearest whole dollar for ease of administration.

[5] *Raftelis does not practice law nor does it provide legal advice. The above discussion is to provide a general review of apparent state institutional constraints and is labeled "legal framework" for literary convenience only. The District should consult with its counsel for clarification and/or specific review of any of the above or other matters.*

[6] The Overhead percentage of 59.4% was provided by the District and was based on the approved annual budget.

Table 10: Application – Direct Labor Costs

	FBHR ($) [A]	Hours of Labor [B]	Direct Labor Costs [C] = (A x B)
Employee 1	$34.00	2	$68.00
Employee 2	$35.00	1.25	$43.75
Total			**$111.75**

Table 11: Application Fee

	Application Fee
Direct Labor (Table 10)	$111.75
Overhead (Direct Labor x 59.4%)	$62.92
Travel (15 miles x $0.58)	$8.70
Materials (provided)	$3.75
Total	$190.58
Proposed Application Fee	**$191**

New Meter Installation

The new meter installation recovers the cost of District's staff working with customers, traveling to and from the site to perform meter installations, overhead costs, and meter and material costs that vary based on the size of the meter being installed. Table 12 summarizes the determination of the Direct Labor costs, where the labor costs vary according to meter size based on the personnel that typically work on those projects. Table 13 summarizes the base new meter installation fee that captures the direct labor, overhead, and travel costs. Table 14 summarizes the rounded costs and the resulting total proposed New Meter Installation fee.

Table 12: New Meter Installation – Direct Labor Costs

	FBHR ($) [A]	Hours of Labor [B]	Direct Labor Costs (A x B)
1" Meters or Smaller			
Employee 1	$26.12	2	$52.24
Employee 2	$31.78	2	$63.56
Total			**$115.80**
1.5" Meters or Larger			
Employee 1	$34.09	2	$68.18
Employee 2	$35.00	2	$70.00
Total			**$138.18**

Table 13: New Meter Installation Base Fee

	Base Fee 1" or Smaller	Base Fee 1.5" or Larger
Direct Labor (Table 12)	$115.80	$138.18
Overhead (Direct Labor x 59.4%)	$65.20	$77.80
Travel (15 miles x $0.58)	$8.70	$8.70
Base Fee	**$193.29**	**$228.96**

Table 14: New Meter Installation Fee

Meter Size	Base Fee [A]	Meter Costs [B]	Material Costs [C]	Proposed Fee (A + B + C)
3/4" or Smaller	$193	$229	$354	**$776**
1"	$193	$266	$550	**$1,009**
1 1/2"	$229	$492	$690	**$1,411**
2"	$229	$647	$790	**$1,666**

Lateral Installation (Deposit)

The Lateral Installation recovers the cost of District's staff working with customers, traveling to and from the site to perform meter and lateral installations, overhead costs, and all parts and labor required to complete the installation, connection to the existing water main, backfill, compaction, paving (if required), and any fees associated with County inspections. The applicant is responsible for reimbursing the District for all expenses incurred during the installation of the water service lateral and meter. Table 15 summarizes the determination of the Direct Labor costs. Table 16 summarizes the base Lateral Installation fee that is the same regardless of meter or lateral sizing and includes the direct labor, overhead, and travel costs. Through discussions with District Staff, it is anticipated that on average three vehicles travel to the site for each lateral installation, therefore, the travel costs were multiplied times three. Table 17 summarizes the rounded costs and the resulting proposed Lateral Installation fee/deposit, however, the project costs can vary significantly depending on the project and the location. For example, installations on County maintained roads require an additional inspection and a corresponding fee and installations on major roads require traffic control. The proposed fee is intended to represent the typical or expected lateral installation fee and is set as deposit. Each installation will be charged on a time and material basis and therefore the customers will pay actual costs for each installation. Unused deposit funds will be refunded to the customer at the end of the project.

Table 15: Lateral Installation – Direct Labor Costs

	FBHR ($) [A]	Hours of Labor [B]	Direct Labor Costs (A x B)
Employee 1	$23.75	6	$142.50
Employee 2	$26.12	6	$156.72
Employee 3	$26.20	6	$157.20
Employee 4	$31.78	6	$190.68
Employee 5	$37.59	6	$225.54
Employee 6	$37.59	1	$37.59
Employee 7	$53.05	1	$53.05
Total			**$963.28**

Table 16: Lateral Installation Base Fee

	Base Fee
Direct Labor (Table 15)	$963.28
Overhead (Direct Labor x 59.4%)	$572.19
Travel (15 miles x $0.58 x 3)	$26.10
Base Fee	**$1,561.57**

Table 17: Lateral Installation Fee (Deposit)

Meter Size	Base Fee [A]	Meter Costs [B]	Material Costs [C]	Proposed Fee (A + B + C)
3/4"	$1,562	$229	$1,304	**$3,095**
1"	$1,562	$266	$1,500	**$3,328**
1 1/2"	$1,562	$492	$1,640	**$3,694**
2"	$1,562	$647	$1,740	**$3,949**

2.B. Total Proposed Connection Fees

The proposed connection fees/deposits from the preceding sections are summarized in Table 21 and have been compared to existing fees (where applicable). Note the existing drop-in meter installation fees were last updated in 2003 per Ordinance 03-254 and lateral installation charges last updated in 2004 per Ordinance 04-260 and have not been adjusted to account for increased costs.

Table 3: Proposed Connection Fees

Fee Description	Existing Deposits/Fees		Proposed Deposits/Fees
Application Fee		$100	$191
Meter Only (drop-in)			
3/4"		$202	N/A
1"		$252	N/A
1 1/2"		$686	N/A
2"		$755	N/A
New Meter Installation			
3/4"		N/A	$776
1"		N/A	$1,009
1 1/2"		N/A	$1,411
2"		N/A	$1,666
Lateral Installation	**Standard**	**Complex**	**Deposit**
3/4"	$1,856	$2,700	$3,095
1"	$1,911	$2,700	$3,328
1 1/2"	$2,784	$3,700	$3,694
2"	$2,853	$3,700	$3,949

3. Administration

Raftelis recommends the District update both the capacity and connection fees on an annual basis to account for inflation. The most frequently used source to escalate capacity and connection fees is the Engineering News-Record Construction Costs Index (ENR-CCI), which tracks changes in construction costs. This method of escalating the District's capacity and connection fees should be used for no more than five years. After this time period, Raftelis recommends that the District conduct a comprehensive review of its capacity and connection fees to ensure appropriate funding of capital projects and to ensure the District is recovering the full cost of providing services. Note the most recently completed year 20-City CCI at the time of this study is 11,062.

It has been a pleasure working with you, and we thank you and the District staff for the support provided during the course of this study.

Sincerely,
RAFTELIS FINANCIAL CONSULTANTS, INC.

Andrea Boehling
Manager

Published on 6/24/19, 6/27/19, 7/3/19 & 7/4/19

RAMONA MUNICIPAL WATER DISTRICT

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NOTICE OF PUBLIC HEARING ADOPTING INCREASES TO THE AMBULANCE AND PARAMEDIC USER FEES July 9, 2019 AT 2:00 P.M. RAMONA COMMUNITY CENTER, 434 AQUA LANE, RAMONA, CALIFORNIA 92065

Notice is hereby given that on the 9th day of July 2019, at the hour of 2:00 p.m. at the Ramona Community Center, 434 Aqua Lane, Ramona, California, the Board of Directors of the Ramona Municipal Water District will consider and receive comment on:

ADOPTING INCREASES TO THE DISTRICT'S AMBULANCE AND PARAMEDIC USER FEES

The Ambulance and Paramedic User Fees are charged to both residents and non-residents who use the District's ambulance and paramedic services.

As of June 24, 2019, copies of the documents related to the Ambulance and Paramedic User Fees are made available for review at the District Office, 105 Earlham Street, Ramona, California 92065. Such documents include data indicating the amount of cost, or estimated cost, required to provide the service for which the fee is levied and the revenue sources anticipated to provide the service.

Any interested person may appear at said meeting and make an oral or written presentation to the Board related to the Ambulance and Paramedic User Fees. During the meeting, the Board shall hear and consider all objections or protests, if any, to the proposed fees.

Administrative Services Department
RAMONA MUNICIPAL WATER DISTRICT

RAMONA MUNICIPAL WATER DISTRICT

AGENDA MEMO

Agenda Item No. C.4.a.
Regular Board Meeting of July 9, 2019

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: DISCUSSION AND POSSIBLE ACTION TO ADOPT AN ORDINANCE MODIFYING AMBULANCE AND PARAMEDIC USER FEES

Members of the Board:

Purpose

Hold a public hearing to consider input from the public and consider adoption of an ordinance modifying the Fire Department's Ambulance and Paramedic User Fees, including adding Section 5.20.095 to the District's Legislative Code allowing for annually adjusting the referenced fees to keep up with rising costs of providing services for the next five years.

Background

The Ramona Fire Department (RFD) offers paramedic transportation to the community of Ramona by utilizing an ambulance user fee and billing process, the District is able to recover a portion of the costs to provide the service.

The current fee structure is standard for fire departments and private ambulance services. The division of the fees reflects the rules set forth by Medicare for Advanced Life Support (ALS) services versus Basic Life Support (BLS) services. ALS services are charged when paramedic care such as medication, intra-venous therapy, or establishing an advanced airway similar to that utilized by a hospital during surgery is provided. The rates have been separated for Ramona residents and non-Ramona residents as allowed pursuant to Health and Safety Code section 13917.

The notices of the public hearing have been advertised as required by the relevant Health and Safety Code provisions for the Board to consider the recommended annual adjustments to the Fire Fee schedule at the July 9, 2019 public hearing.

Discussion

Ambulance user rates were established in 1993 and reviewed and adjusted in 2005, 2015 and most recently in May 2016. In 2016, the Board directed staff to continually monitor revenue

generated by the billing process and reevaluate as needed. The Board has been well informed over the last several years regarding a reduction in grant opportunities, which were previously utilized in ambulance replacement. This fact has been the driving factor in evaluating ongoing ambulance repair and replacement costs. This review included evaluating the overall cost of operating the program and capital replacement of ambulances (Attachment 2). An increase in user fees starting in 2020 is necessary to remain cost-neutral and fund personnel and other program costs.

Under rates from May 2016, the Ramona Fire Department is projected to generate $1,241,974 for 2020. As seen in Attachment 2 overall operating costs are $1,255,517 starting in 2020, which equates to a net deficit to the program starting in 2020. This imbalance between projected revenues (Attachment 3) and projected costs is further exasperated in 2021, with projected costs outpacing revenues. In order to correlate revenue with expenses, the RFD must increase revenue by the relevant San Diego Area Consumer Price Index for All Urban Consumers to keep up with incremental cost increases for providing services. This increase would be authorized for a 5-year period, beginning on January 1, 2020 and continuing each year thereafter on January 1, or as soon thereafter as is feasible, until January 1, 2024. In no event will an annual adjustment be greater than 3% or exceed the District's costs to provide the ambulance and paramedic services. This annual adjustment process will be reviewed and modified, if necessary, at least every (5) five years by the Board of Directors.

This is an all-inclusive look at the cost(s) associated with operating the ambulance program that incorporates an ambulance replacement cycle. Capital expenses, such as ambulance replacement and cardiac monitors, have previously not been evaluated and incorporated into the cost of service analysis.

It should be noted that the proposed action will likely keep the RFD in the top 1/3 of fire-based ambulance providers in San Diego County. The RFD is not a "for profit" ambulance service and serves the community of Ramona. The proposed increases will be used to provide the cost of operating the ambulance program and revenues from the fees will not exceed the cost of operation.

If approved, the District maintains the flexibility to revisit adjustments at any time if significant unforeseen circumstances would affect either revenues or expenses for the program.

Fiscal Impact

Projected increase in annual gross revenue to operate the ambulance program will be calculated annually if this item is approved by the Board. This revenue will be included for consideration in the District's appropriate Budgets.

Recommendation

Fire Department Staff respectfully recommend that after holding the public hearing and receiving public comments under Agenda Item C.4., the Board adopt the proposed Ordinance which will

modify the Ambulance and Paramedic User Fees and revise Legislative Code Section 5.20.090 through the inclusion of the new Section 5.20.95 “Ambulance and Paramedic User Fees Adjustments”.

Prepared by: Larry Converse - Battalion Chief

Submitted by: David Barnum, General Manager

ATTACHMENTS:

Attachment 1	Proposed Ordinance - Exhibit A	C.4.a. Page 4-14
Attachment 2	Total Operating Expense(s) of Ambulance Program	C.4.a. Page 15
Attachment 3	Projection Sheets	C.4.a. Page 16-18

ORDINANCE NO. 19-XXX

ORDINANCE OF THE BOARD OF DIRECTORS OF THE RAMONA MUNICIPAL WATER DISTRICT AMENDING THE DISTRICT'S LEGISLATIVE CODE CHAPTER 5.20 "FIRE PROTECTION AND AMBULANCE/PARAMEDIC FEES AND CHARGES" AND ADOPTING AN ANNUAL ADJUSTMENT TO SUCH USER FEES

WHEREAS, the Ramona Municipal Water District ("RMWD") operates as a fire district pursuant to the authority in California Water Code section 71680 and the Health and Safety Code; and

WHEREAS, Health and Safety Code Section 13916 authorizes the District to establish ambulance/paramedic user fees within the District; and

WHEREAS, the Board of Directors previously adopted Ordinance No. 16-440 on May 10, 2016 establishing new ambulance and paramedic user fees; and

WHEREAS, the Board of Directors of the District has considered the information provided and evaluated service requirements and financial commitments for ambulance and paramedic services; and

WHEREAS, the cost analysis provided by the District shows that the costs to provide ambulance and paramedic services does not exceed the costs that the District will recover in charging the proposed user fees for Calendar Year 2019. However, the cost analysis indicates that starting in Calendar Year 2020, the costs to provide ambulance and paramedic services does exceed the costs that the District will recover in charging the proposed user fees; and

WHEREAS, in order for the District to recover the costs to provide ambulance and paramedic services, it is recommended that Section 5.20.095 be added to the District's Legislative Code to include provisions for annually adjusting the referenced fees to keep up with rising costs of providing services for the next five years, while providing assurances that the annual adjustments will be no greater that 3% and will not exceed the reasonably projected costs for providing those services; and

WHEREAS, the District provided notice pursuant to state law and conducted a public hearing on July 9, 2019, to consider the proposed annual increase to ambulance and paramedic user fees; and

WHEREAS, at the hearing on July 9, 2019, the Board heard and considered any objections and protests to the proposed annual increase to ambulance and paramedic user fees; and

NOW THEREFORE, BE IT ORDAINED, by the Board of Directors of the Ramona Municipal Water District as follows:

1. The matters set forth in the recitals to this Ordinance are true and correct statement and are incorporated as findings.

2. The ambulance and paramedic user fees schedule of annual adjustments shown in Section 5.20.095 of Exhibit "A" does not exceed the cost of providing ambulance and paramedic services to the users.

3. The ambulance and paramedic user fees schedule of annual adjustments shown in Section 5.20.095 of Exhibit "A" is hereby adopted.

4. Legislative Code Chapter 5.20 "Fire Protection and Ambulance/Paramedic Fees and Charges" is hereby amended to read as shown in Exhibit "A."

5. This Ordinance supersedes any ordinance, resolution, policy or part thereof, previously adopted, to the extent such ordinance, resolution or policy conflicts with this Ordinance.

6. If any paragraph or exhibit of this Ordinance is found to be unenforceable or contrary to law, the remaining provisions shall remain in full force and effect.

7. This Ordinance shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED at the regular meeting of the Board of Directors of Ramona Municipal Water District held on the 9th day of July 2019, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Jim Robinson
President, Board of Directors
Ramona Municipal Water District

ATTEST:

_____

Bryan Wadlington
Secretary, Board of Directors
Ramona Municipal Water District

EXHIBIT A
LEGISLATIVE CODE
Chapter 5.20
FIRE PROTECTION AND AMBULANCE/PARAMEDIC FEES AND CHARGES

Contents:

Section 5.20.010 Findings.

This board of directors finds as follows:

A. That, in order to maintain an adequate level of service, it is necessary to impose the charges established herein to pay for part of the cost of operation, installation, capital, maintenance, repair, alteration and replacement of facilities and equipment relating to supplying water for fire protection purposes;

B. That the charges established herein are commensurate with the costs relating to supplying water for fire protection purposes;

C. That the charges established herein bear a reasonable relationship to the level of service rendered by the district;

D. That the charges established herein are specifically authorized under Section 53069.9 of the Government Code.

Section 5.20.030 Charges and Fees Exempt From CEQA.

In accordance with the California Environmental Quality Act Guidelines, Section 15061, the Board of Directors finds and determines that the fire/paramedic protection service charges established by this ordinance are exempt from CEQA as follows:

The fire/paramedic service rates being established by this chapter will not have any significant effect upon the environment in accordance with Guidelines Section 15061(b)(3).

Section 5.20.040 Service Charges Designated.

EXHIBIT A

There is levied to each premises within the district a non ad valorem special property tax as an excise tax for fire protection services, including ambulance/paramedic services, and such charge is based on equivalent dwelling units (EDUs) as set forth in this section. The fire/paramedic tax is established at the rate of one hundred eighty-eight dollars and fifty-two cents per EDU per year.

Group A **Occupancies Defined**

Division 1. Any assembly building or portion of a building with a legitimate stage and an occupant load of 1000 or more.

Division 2. Any building or portion of a building having an assembly room with an occupant load of less than 1000 and a stage.

Division 2.1. Any building or portion of a building having an assembly room and an occupant load of 300 or more without a stage, including such buildings used for educational purposes and not classed as a Group E or Group B, Division 2 Occupancy.

Division 3. Any building having an assembly room with an occupant load of less than 300 without a stage including such buildings used for educational purposes and not classed as a Group E or Group B, Division 2 Occupancy.

Division 4. Stadiums, reviewing stands and amusement park structures not included within other Group A Occupancies.

Group A	EDU Basic Values
Divisions 1 through 3	
Every fifty (50) persons	2.5
Minimum 2.5 EDUs	
Division 4	
Every fifty (50) persons	0.25
Minimum 2.5 EDUs	

Group B **Occupancies Defined**

Division 1. Repair garages where work is limited to exchange of parts and maintenance requiring no open flame, welding, or use of Class I, II or II-A liquids.

Division 2. Drinking and dining establishments having an occupant load of less than 50, wholesale and retail stores, office buildings, printing plants, police and fire stations, factories and workshops using material not highly flammable or combustible, storage and sales rooms for combustible goods, paint stores without bulk handling, building used for educational purposes beyond the 12th grade with less than 50 occupants in any room.

Division 3. Aircraft hangars where no repair work is done except exchange of parts and maintenance requiring no open flame, welding or the use of Class I or II liquids, and open parking garages, (for requirements, see Section 709) helispots.

Division 4. Ice plants, power plants, pumping plants, cold storage and creameries, factories and workshops using non-combustible and non-explosive materials, storage and sales rooms of non-combustible and non-explosive materials that are not packaged or crated in or supported by combustible material.

Group B	**EDU Basic Values**
Divisions 1 (Without Dump Station)	
Not more than four fuel pumps	2.0
More than four fuel pumps	3.0
Others - each 3600 sq. ft.	1.0
Division 2	
Per each 1800 sq. ft.	1.0
Except restaurants which will be	2.5
Division 3	
Per each 9600 sq. ft.	1.0
Division 4	
Per each 3600 sq. ft.	1.0

Group E **Occupancies Defined**

Division 1. Any building used for educational purposes through the 12th grade by 50 or more persons for more than 12 hours per week or four hours in any one day.

Division 2. Any building used for educational purposes through the 12th grade by less than 50 persons for more than 12 hours per week or four hours in any one day.

Division 3. Any building or portion thereof used for day-care purposes for more than six persons.

Group E	**EDU Basic Values**
Elementary Schools or Day Care	
For each 60 pupils or fraction thereof	1.0
Junior High Schools	
For each 50 pupils or fraction thereof	1.0
High Schools	
For each 30 pupils or fraction thereof	1.0

The number of pupils shall be based on the average daily attendance of pupils at the school during the preceding fiscal year computed in accordance with Education Code of the State of California; provided, however, where the school has had no attendance during the preceding

fiscal year, the average daily attendance for the year for which the fee is to be paid shall be based upon our estimated attendance provided by the school.

Group H	**Occupancies Defined**
Division 1.1	Explosives, blasting agents, fireworks and black powder.
Division 1.2	Unclassified detonatable organic peroxides.
Division 1.3	Class 4 oxidizers.
Division 1.4	Class 4 or Class 3 detonatable unstable (reactive) materials.
Division 2.1	Class I organic peroxides.
Division 2.2	Class 3 nondetonatable unstable (reactive) materials.
Division 2.3	Pyrophoric gases.
Division 2.4	Flammable or oxidizing gases.
Division 2.5	Class I, II or III-A flammable or combustible liquids which are used in normally open containers or systems or in closed containers pressurized at more than 15 pounds per square inch gauge.
Division 2.6	Combustible dusts in suspension or capable of being put into suspension in the atmosphere of the room or area.
Division 2.7	Class 3 oxidizers.
Division 3.1	Class II, III or IV organic peroxides.
Division 3.2	Class 1 or 2 oxidizers.
Division 3.3	Class I, II or III-A flammable liquids or combustible liquids which are utilized or stored in normally closed containers or systems and containers pressurized at 15 pounds per square inch gauge or less and aerosols.
Division 3.4	Class Ill-B combustible liquids.
Division 3.5	Pyrophoric liquids or solids.
Division 3.6	Water reactives.
Division 3.7	Flammable solids, including combustible fibers or dusts, except for dusts included in Division 2 occupancies.
Division 3.8	Flammable or oxidizing cryogenic fluids (other than inert).
Division 3.9	Class I unstable (reactive) gas or Class 2 unstable (reactive) materials.

Division 4 Repair garages not classified as Group B, Division 1 Occupancies.

Division 5 Aircraft repair hangars and heliports not classified as Group B, Division 3 Occupancies.

Division 6 Semiconductor fabrication facilities and comparable research and development areas when the facilities in which hazardous production materials (HPM) are used and the aggregate quantity of materials are in excess of those listed in Table No. 9-A or 9-B. Said facilities and areas shall be designed and constructed in accordance with Section 911.

Division 7.1 Corrosives.

Division 7.2 Toxic and highly toxic materials.

Division 7.3 Irritants.

Division 7.4 Sensitizers.

Division 7.5 Other health hazards.

Group H	**EDU Basic Values**
Per each 3600 sq. ft.	1.0

Group I **Occupancies Defined**

Division 1.1 Nurseries for the full-time care of children under the age of six (each accommodating more than five persons). Hospitals, sanitariums, nursing homes with non-ambulatory patients and similar buildings (each accommodating more than five persons).

Division 1.2 Health care centers for ambulatory patients receiving outpatient medical care which may render the patient incapable of unassisted self-preservation (each tenant space accommodating more than five such patients).

Division 2 Nursing homes for ambulatory patients, homes for children six years of age or over (each accommodating more than five persons).

Division 3 Mental hospitals, mental sanitariums, jails, prisons, reformatories and buildings where personal liberties of inmates are similarly restrained.

Group I	**EDU Basic Values**
Per each 3 occupants	1.0

EXHIBIT A

Group M **Occupancies Defined**

Division 1 Private garages, carports, sheds and agricultural buildings.

Division 2 Fences over 6 feet high, tanks and towers.

Group M	EDU Basic Values
Per each 15,000 sq. ft.	0.20

Group R **Occupancies Defined**

Division 1. Hotels and apartment houses, and congregate residences (each accommodating more than 10 persons).

Division 2. Not used.

Division 3. Dwellings and lodging houses, congregate residences (each accommodating 10 persons or less).

Group R	EDU Basic Values
Division 1	
Hotels per each living unit without kitchen	0.33
Hotels per each living unit with kitchen	0.55
Apartments per each living unit	1.00
Others per each four (4) occupants	1.00
Division 2	
Not Used.	
Division 3	
Single-family dwellings detached	1.00
Mobile Homes	1.00
Travel Trailer Park (per each space)	0.75
Lodging Houses (permit)	0.33
Others per each unit or space	1.00

Group C **Occupancies Defined**

For the purposes of these regulations, Group C Occupancies shall mean "Organized Camps" as defined in Section 18897, Health and Safety Code.

Group C	EDU Basic Values
Per each campsite	0.20

EXHIBIT A

Section 5.20.050 Service Charges: Other Occupancies.

Those occupancies not classified in Section 5.20.040 shall be evaluated by the general manager using comparable occupancy standards to determine the appropriate number of EDUs. Provided, however, that in no case shall EDUs assigned by the general manager be less than 1.0.

Section 5.20.070 Collection of Fire Protection Charges.

The fire protection tax shall be collected at the same time and in the same manner as other water rates or water charges of the district, or by direct billing of the property owner, or by collection by the County of San Diego on the property tax bill, deposited into a Fire Operating or Capital Funds of the Ramona Municipal Water District and used only for fire and paramedic purposes, including, but not limited to, the acquisition of equipment, the payment of personnel costs, the payment of operating expenses or the payment of a valid contract to provide such services. Collection of the 1997/98 tax in its entirety shall be made by the district in any of the previously identified methods available to the District.

Section 5.20.080 Service Charges to be Charged Against Service Deposit.

A. A fire/paramedic services deposit shall be established in an amount equal to twelve times the current monthly fire/paramedic service rate.

B. The deposit shall be collected by the district at the time a building permit is taken.

C. Fire/paramedic tax for the period of time from when the fire inspector determines services are provided until July 1st of the year in which the fees are placed on the tax rolls shall be charged against the customer deposit.

Section 5.20.085 Unpaid Fire/Paramedic Service Charges: Procedures for Collection.

A. Purpose. Certain owners of property within the District did not pay for fire/paramedic services charges even though they received these services. It is the intent of this Ordinance to provide a procedure for repayment of these unpaid fire/paramedic service charges.

B. CEQA Exemption. The District finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") in accordance with CEQA Guidelines section 15273. The District finds that the Ordinance involves collection of existing fire/paramedic service charges which will not have any impact upon the environment.

C. Retroactive Billing. If the owner of any property within the District has not paid fire/paramedic service charges for any portion of a thirty-six month period before notification by the District, the unpaid charges to the extent of 36 months of arrears shall be due and payable to the District.

D. Notification. The District shall notify property owners of any unpaid fire/paramedic service charges by letter mailed to the address of record for the property owner.

EXHIBIT A

E. Exemption. Within thirty (30) days of mailing of the District's notification, a property owner may present evidence to the District that he or she was not the owner who received the fire/paramedic services for all or any portion of the period billed. A property owner who provides such evidence to the satisfaction of the District staff shall be relieved of the obligation to pay the billed amount for the period the property owner has demonstrated he or she did not receive the service. The District shall notify the property owner of this exemption by mail.

F. ~~Rep~~Payment of Unpaid Fire/Paramedic Service Charges. ~~A property owner may satisfy his or her obligation to pay unpaid fire/paramedic service charges if, within sixty (60) days of the District's notification of such charges, the owner pays the District an amount equal to ninety percent (90%) of the amount due. Property owners who do not pay the discounted bill in full within this 60 day period receive no discount.~~ If any fire/paramedic service charges remain unpaid 180 days after notification from the District, the District shall record a lien pursuant to California Water Code section 72100 and/or California Water Code section 72102 against the property of the owners for those unpaid charges.

G. Appeal. A property owner may appeal any billing to the Board of Directors of the District by a written request, sent to the District offices to the attention of the General Manager, to be placed on an agenda.

H. Effective Date and Inclusion in Legislative Code. This Ordinance shall take effect immediately upon adoption by the Board of Directors of the District. This Ordinance shall remain effective until repeal by the Board of Directors of the District. Any prior District ordinances, resolutions, or policies inconsistent with this Ordinance are hereby repealed. Sections 3 through 7 of this Ordinance shall be added to the Legislative Code under the Chapter titled Fire Protection and Ambulance/Paramedic Fees and Charges.

Section 5.20.090 Ambulance and Paramedic User Fees Established.

Ambulance and paramedic service user fees are hereby established in accordance with the following schedule:

Advanced Life Support (ALS) and Basic Life Support (BLS) Rates for Ramona Residents; Non- Residents and those Out-of-District, as defined by Legislative Code Chapter 5.22 “Out of District Fire Services”, will pay Non-Residents fees.				
	ALS Resident	ALS Non-Resident	BLS Resident	BLS Non-Resident
Base Rate	$ 1,523.00	$ 1,712.00	$ 1,479.00	$ 1,668.00
Treat at Scene	$ 138.00	$ 200.00	$ 138.00	$ 200.00
Mileage	$ 19.00	$ 19.00	$ 19.00	$ 19.00
Oxygen	$ 71.00	$ 94.00	$ 71.00	$ 94.00

ALS 2	$ 1,635.00	$ 1,824.00	$ 1,635.00	$ 1,824.00
EKG	$ 50.00	$ 50.00	$ 50.00	$ 50.00
Night	$ 43.00	$ 43.00	$ 43.00	$ 43.00
Supplies	Cost + 90%	Cost +137%	Cost + 90%	Cost + 137%

Section 5.20.095 Ambulance and Paramedic User Fees Adjustments.

Ambulance and paramedic service user fees established by Section 5.20.090 shall be adjusted one (1) time each year, commencing on January 1, 2020 and continuing each year thereafter on January 1, or as soon thereafter as is feasible, until January 1, 2024. Such adjustment shall be no greater than the amount directly proportionate to the percentage change in the San Diego Area Consumer Price Index for All Urban Consumers as compiled by the United States Department of Labor, Bureau of Statistics, since the previous update to the ambulance and paramedic service user fees, with each fee amount rounded to the nearest whole dollar. In no event will an annual adjustment be greater than 3% or exceed the District's costs to provide the ambulance and paramedic services. This annual adjustment process will be reviewed and modified, if necessary, at least every (5) five years by the Board of Directors.

Total Operational Expense(s) of Ambulance Program

	2019 (projected)	2020 (projected)	2021 (projected)
1. Personnel Costs:	$874,847	$918,590	$964,519
2. Capital Replacement:	$72,000	$105,000	$105,000
3. Ambulance Supplies:	$92,700	$95,481	$98,345
4. Fuel:	$44,573	$46,801	$49,141
5. Maintenance:	$36,000	$37,800	$39,690
6. Billing Services:	$50,470	$51,984	$53,544
Total:	**$1,170,590**	**$1,255,656**	**$1,310,239**
Rev (no adjustment)	$1,205,712	$1,241,974	$1,277,973
Rev-Expense	$35,122	($13,682)	($32,267)

1. Personnel Cost = 4 personnel. Total number of assigned personnel to ambulances ÷ 2. (Other half of personnel would be re-assigned to engines) (All personnel costs are inclusive of MOU salary adjustments with benefits packages)

2. Capital Replacement = Total annual payment of municipal lease for 2 ambulances; cardiac monitors; auto pulse units; and power gurneys.

3. Ambulance Supplies = Budgeted annual cost of all disposable ambulance supplies (i.e. medications, single-use sterile equipment, etc.)

4. Fuel = Fuel costs based upon (total gallons used) x (Average fuel cost for So CAL per year)

5. Maintenance = Estimated Maintenance of $12,000/year x 3 ambulances for 2019 (will vary based on repairs)

6. Billing Services = Services rendered by Wittman Enterprises (billed on per/call basis)

Ramona Projection 2019 (current rates)

Total Runs	1,597
ALS 75% of Total Runs	1,198
BLSE 25% of Total Runs	399
Average ALS Run Charge	$2,202.19
Average BLSE Run Charge	$2,091.94

Transports

				Charges		Payments		
PaySource	**Run Percentage**	**ALS**	**BLSE**	**ALS**	**BLSE**	**ALS**	**BLSE**	**% of Charges**
Insurance	20.70%	248	83	$545,998.33	$172,887.86	$491,398.49	$155,599.07	**90%**
Private	9.20%	110	37	$242,665.92	$76,839.05	$16,986.61	$5,378.73	**7.0%**
Medicare/Comp/VA	52.70%	631	210	$1,390,053.71	$440,154.11	$347,513.43	$105,636.99	**24%**
MediCal/MediCaid	17.40%	208	69	$458,955.11	$145,326.03	$38,552.23	$12,207.39	**8.4%**
	100.00%	**Sub-Total**		**$2,637,673.07**	**$835,207.05**	**$894,450.76**	**$278,822.18**	
		Grand Total		**$3,472,880.12**		**$1,173,272.94**		
		Gross Percentage		**33.78%**				

Total Runs	260
ALSM 72% of Total Runs	187
BLSM 28% of Total Runs	73
Average ALSM Run Charge	$260.00
Average BLSM Run Charge	$215.00

Non Transports

				Charges		Payments		
PaySource	**Run Percentage**	**ALSM**	**BLSM**	**ALSM**	**BLSM**	**ALSM**	**BLSM**	**% of Charges**
Insurance	26.00%	49	19	$12,654.72	$4,069.52	$11,389.25	$3,662.57	**90%**
Private	53.00%	99	39	$25,796.16	$8,295.56	$7,738.85	$2,488.67	**30%**
Medicare/Comp/VA	7.00%	13	5	$3,407.04	$1,095.64	$2,350.86	$755.99	**69%**
MediCal/MediCaid	14.00%	26	10	$6,814.08	$2,191.28	$3,066.34	$986.08	**45%**
	100.00%	**Sub-Total**		**$48,672.00**	**$15,652.00**	**$24,545.29**	**$7,893.30**	
		Grand Total		**$64,324.00**		**$32,438.59**		
		Gross Percentage		**50.43%**				

Grand Total Payment **$1,205,711.54**

Average Mileage 18.19
*3% increase in call volume

2019	MediCare	MediCal
ALS	$ 481.75	$ 106.38
BLSE	$ 405.68	$ 106.38
Mileage	$ 7.55	$ 3.19
Oxygen	$ -	$ 8.89
ALS Alloweds	**$ 618.18**	**$ 184.77**
BLSE Alloweds	**$ 542.11**	**$ 175.88**

Ramona Projection 2020 (no rate change)

Total Runs	1,645
ALS 75% of Total Runs	1,234
BLSE 25% of Total Runs	411
Average ALS Run Charge	$2,202.19
Average BLSE Run Charge	$2,091.94

Transports

				Charges		Payments		
PaySource	**Run Percentage**	**ALS**	**BLSE**	**ALS**	**BLSE**	**ALS**	**BLSE**	**% of Charges**
Insurance	20.70%	255	85	$562,409.05	$178,084.24	$506,168.14	$160,275.81	**90%**
Private	9.20%	114	38	$249,959.58	$79,148.55	$17,497.17	$5,540.40	**7.0%**
Medicare/Comp/VA	52.70%	650	217	$1,431,833.66	$453,383.54	$357,958.41	$108,812.05	**24%**
MediCal/MediCaid	17.40%	215	72	$472,749.63	$149,694.00	$39,710.97	$12,574.30	**8.4%**
	100.00%	**Sub-Total**		**$2,716,951.91**	**$860,310.33**	**$921,334.70**	**$287,202.56**	
		Grand Total		**$3,577,262.24**		**$1,208,537.25**		
		Gross Percentage		**33.78%**				

Total Runs	268
ALSM 72% of Total Runs	193
BLSM 28% of Total Runs	75
Average ALSM Run Charge	$260.00
Average BLSM Run Charge	$215.00

Non Transports

				Charges		Payments		
PaySource	**Run Percentage**	**ALSM**	**BLSM**	**ALSM**	**BLSM**	**ALSM**	**BLSM**	**% of Charges**
Insurance	26.00%	50	20	$13,044.10	$4,194.74	$11,739.69	$3,775.26	**90%**
Private	53.00%	102	40	$26,589.89	$8,550.81	$7,976.97	$2,565.24	**30%**
Medicare/Comp/VA	7.00%	14	5	$3,511.87	$1,129.35	$2,423.19	$779.25	**69%**
MediCal/MediCaid	14.00%	27	11	$7,023.74	$2,258.70	$3,160.68	$1,016.42	**45%**
	100.00%	**Sub-Total**		**$50,169.60**	**$16,133.60**	**$25,300.53**	**$8,136.17**	
		Grand Total		**$66,303.20**		**$33,436.70**		
		Gross Percentage		**50.43%**				

Grand Total Payment $1,241,973.96

Average Mileage 18.19
*3% increase in call volume

2019	MediCare	MediCal
ALS	$ 481.75	$ 106.38
BLSE	$ 405.68	$ 106.38
Mileage	$ 7.55	$ 3.19
Oxygen	$ -	$ 8.89
ALS Alloweds	**$ 618.18**	**$ 184.77**
BLSE Alloweds	**$ 542.11**	**$ 175.88**

Ramona Projection 2021 (no rate change)

Total Runs	1,694
ALS 75% of Total Runs	1,271
BLSE 25% of Total Runs	424
Average ALS Run Charge	$2,202.19
Average BLSE Run Charge	$2,091.94

Transports

				Charges		Payments		
PaySource	**Run Percentage**	**ALS**	**BLSE**	**ALS**	**BLSE**	**ALS**	**BLSE**	**% of Charges**
Insurance	20.70%	263	88	$579,161.66	$183,388.87	$521,245.49	$165,049.99	**90%**
Private	9.20%	117	39	$257,405.18	$81,506.17	$18,018.36	$5,705.43	**7.0%**
Medicare/Comp/VA	52.70%	670	223	$1,474,484.02	$466,888.58	$368,621.01	$112,053.26	**24%**
MediCal/MediCaid	17.40%	221	74	$486,831.54	$154,152.97	$40,893.85	$12,948.85	**8.4%**
	100.00%	**Sub-Total**		**$2,797,882.40**	**$885,936.59**	**$948,778.71**	**$295,757.53**	
		Grand Total		**$3,683,818.99**		**$1,244,536.23**		
		Gross Percentage		**33.78%**				

Total Runs	268
ALSM 72% of Total Runs	193
BLSM 28% of Total Runs	75
Average ALSM Run Charge	$260.00
Average BLSM Run Charge	$215.00

Non Transports

				Charges		Payments		
PaySource	**Run Percentage**	**ALSM**	**BLSM**	**ALSM**	**BLSM**	**ALSM**	**BLSM**	**% of Charges**
Insurance	26.00%	50	20	$13,044.10	$4,194.74	$11,739.69	$3,775.26	**90%**
Private	53.00%	102	40	$26,589.89	$8,550.81	$7,976.97	$2,565.24	**30%**
Medicare/Comp/VA	7.00%	14	5	$3,511.87	$1,129.35	$2,423.19	$779.25	**69%**
MediCal/MediCaid	14.00%	27	11	$7,023.74	$2,258.70	$3,160.68	$1,016.42	**45%**
	100.00%	**Sub-Total**		**$50,169.60**	**$16,133.60**	**$25,300.53**	**$8,136.17**	
		Grand Total		**$66,303.20**		**$33,436.70**		
		Gross Percentage		**50.43%**				

Grand Total Payment $1,277,972.94

Average Mileage 18.19
*3% increase in call volume

2019	MediCare	MediCal
ALS	$ 481.75	$ 106.38
BLSE	$ 405.68	$ 106.38
Mileage	$ 7.55	$ 3.19
Oxygen	$ -	$ 8.89
ALS Alloweds	**$ 618.18**	**$ 184.77**
BLSE Alloweds	**$ 542.11**	**$ 175.88**