

**East Valley Water District  
Proposed Water and Sewer Rate Increases, May 2010  
FAQs – Frequently Asked Questions**

**Q. Why is a water rate increase being proposed?**

**A.** After completing a comprehensive evaluation of East Valley Water District’s water and sewer rates, an independent professional engineering firm concluded that a rate increase is necessary in order for the District to ensure its financial stability and continue fulfilling its mission to provide safe and reliable water now and in the future. Also, newly instituted government regulations are requiring EVWD to upgrade a substantial portion of the District’s infrastructure, namely water treatment facilities. EVWD is required to collect sufficient revenues to cover the costs of operations, however, EVWD collects no tax money and customers pay only for the benefits and services they receive.

**Q. What is the proposed water rate increase?**

**A.** The proposed water rate increase will be phased-in over three years. Monthly water rates are based on two fees: a fixed charge based on meter size, and the volume usage charge. The average home has a ¾” meter with a current rate of \$10.45/mo. The proposed initial rate increase for that meter size is \$1.09. Water volume rates are charged for every 100 Cubic Feet (hcf), which is equal to 748 gallons, which is about 15 full bathtubs of water. The District currently charges \$1.35/hcf. The new rate would be \$1.49/hcf beginning October 1, 2010. The chart below outlines the three year phased-in increases for all variables:

Type of Water Rate	Current Water Rates	Proposed Water Rates		
		Oct. 1 2010	Oct. 1 2011	Oct. 1 2012
<b>Total Fixed Monthly Charges</b>				
5/8” Meter	\$10.45	\$11.54	\$12.58	\$13.71
3/4” Meter	\$10.45	\$11.54	\$12.58	\$13.71
1” Meter	\$14.63	\$17.56	\$19.14	\$20.87
1 1/2” Meter	\$18.81	\$32.49	\$35.41	\$38.60
2” Meter	\$30.30	\$74.47	\$81.17	\$88.48
3” Meter	\$114.94	\$137.40	\$149.77	\$163.25
4” Meter	\$146.29	\$227.30	\$247.76	\$270.06
6” Meter	\$219.44	\$452.06	\$492.74	\$537.09
8” Meter	\$303.04	\$721.76	\$786.72	\$857.52
<b>Volume Charge</b>				
Per hcf	\$1.35	\$1.49	\$1.62	\$1.77

Based on the rate analysis performed, the following table summarizes the proposed water rates. If approved, the rate change would phase-in annually in accordance with this schedule for the next three years beginning October 1, 2010.

**Q. What does this water rate increase mean to my bottom line?**

**A.** For the average residential user, the increase will be less than five dollars a month. An average residential EVWD bill with a ¾" meter, using 26/hcf is currently \$35.10 for the volume of water used, plus \$10.45 for the fixed meter charge for a total of \$45.55/mo. After the first phase of the rate increase is implemented, that same bill would be \$38.74 for the volume of water used, plus \$11.54 for the fixed meter charge, for a total of \$50.28 – a difference of \$4.73/mo.

**Q. How is the meter size determined for each user?**

**A.** Different types of users require different meters. Meters are based on the size of the facility and the volume of need. Most residences have either a ¾" or 1" meter. Your bill indicates your meter size. Houses built since the 1990's are required to have fire sprinklers per City code. These houses require a 1" meter in order to meet minimum flow standards.

**Q. Why is a sewer rate increase being proposed?**

**A.** A comprehensive evaluation of East Valley Water District's water and sewer rates conducted by an independent professional engineering firm concluded that a sewer rate increase is necessary for the District to ensure its financial stability and continue providing its customers with reliable sewer collection services. Because of government mandates on sewer line inspection, the District's collection line maintenance budget has nearly doubled since 2007. When State mandated repairs and/or replacement of these lines begins, that budget is expected to double again. In addition, the District's most recent Sewer Master Plan, prepared by a independent engineering firm, identifies nearly \$10 million in pipeline replacement projects for undersized sewer pipelines than could reach capacity and overflow if not replaced.

EVWD currently combines its sewer collection rates with the City of San Bernardino's treatment rates. Effective October 1, 2010, the City's treatment rates will increase by 9%. EVWD bills will reflect that pass-through charge, plus the District's increase to its collection service, which will be phased-in over the next three years.

**Q. Why did EVWD determine it was necessary to increase rates at this time?**

**A.** The terms and conditions of pending 0% loans requires EVWD to certify that the appropriate rates necessary to pay back the state be approved by July 16, 2010. EVWD contracted with an independent professional engineering consulting firm to evaluate our financial outlook. That study took into account (1) infrastructure replacements and upgrades for the capital improvement projects discussed in the Public Hearing Notice, (2) inflationary pressure on routine operating and administrative costs, and (3) expected increases in demand for EVWD's services. Based upon all of the factors, elements, and calculations considered in that study, a rate increase was recommended. Consequently, the proposed rate structure reflects the professional opinion of the independent engineering firm after incorporating cost of service with fiscal responsibility and sound water resource management.

**Q. What independent engineering firm did the study?**

**A.** HDR Engineering, Inc.

**Q. How does the District insure that meter readings are correct?**

**A.** Our meter readers use handheld computers to allow the reading to record instantly. If the reading is excessively high or low, the computer will alert the meter reader to double-check the reading. At the end of each working day, the information is downloaded to the main computer for billing.

**Q. How can I save money on my utility bills?**

**A.** Water-saving devices such as low-flow toilets and showerheads use less water with no loss in convenience or benefit. For example, a family of four can save more than 35,000 gallons of water a year by installing low water use showerheads. Not only will the residence use a smaller volume of water, but also an additional \$50 or more can be saved in energy costs, each year, by not heating as much water.

**Q. Is there any relief for low-income/fixed income families?**

**A.** No. Because EVWD charges its public for the services they receive, any assistance to only a portion of ratepayers would be considered a gift of public funds. To reduce immediate financial burden on its customers, EVWD is proposing a three-year phase-in of the rate increase.

**Q. Is raising rates the only thing EVWD is doing to secure its financial stability?**

**A.** No. EVWD is continually adjusting for shifts in population, water and sewer usage and other effects of the local economy on the District's budget. With more than \$18 million in government mandated upgrades to EVWD's system, the District was aggressive in cost-cutting measures across the board. For 2010 alone, the District was also able to secure more than \$3 million in federal grant funding and \$8 million in 0% interest government loans. In 2011, EVWD expects an additional \$3 million in grant funding and \$15.6 million in 0% interest loans. The 0% interest loans will save the District about \$30 million over the next thirty years.

**Q. Why does EVWD have to increase rates now, when the economy is not doing well?**

**A.** Water supply and reliability is critical no matter the economy. EVWD must comply with new government regulations that ensure a safe water supply to your home. These upgrades cannot wait, however EVWD is proposing that the rate changes be phased-in annually over the next three years to help ease in the increases .

**Q. What projects are included in the EVWD infrastructure upgrades?**

**A.** Here is a list of projects currently slated for infrastructure upgrades:

**6th Street Pipeline Project**

(Continued from Sterling Pipeline Project)

Continuing a vital component of EVWD's infrastructure, more than two miles of 30-inch pipe will continue underground on 6th Street from Lankershim Street to Plant 40, located on 3rd Street east of Palm Avenue, to increase reliability throughout the service area.

**Pipeline and Service Replacement Projects**

EVWD is planning to replace more than 2,500 feet of old, substandard water mains along several streets within the district, including Live Oak Avenue, Bruce Street, Crest Street and Hill View Street. The project also will upgrade service lines and add several new fire hydrants along streets in the surrounding areas.

### **Conejo Sewer Main Replacement Project**

More than 2,600 feet of 6-inch sewer main along Conejo Drive will be upgraded to a 10-inch pipeline. A larger main will allow better sewage flow without interruption.

### **New Booster at Plant 40**

Plant 40 already treats for elements such as uranium and nitrates in groundwater. By building a new booster station at this facility, water can be more easily and quickly transferred from one pressure zone to another.

### **Plant 143 Blending and Air Reduction Facility**

Plant 143 is currently a well that pumps groundwater into the distribution system. Improvements to this facility include a new reservoir that will blend water from four existing EVWD wells. A new booster station will pump water from the reservoir to the water distribution system then to the service pipes that lead to your home.

### **Treatment Plant 134 Expansion**

EVWD is making improvements to Plant 134, a surface water treatment plant located at Highland Avenue near the 330 Freeway. The treatment technology must be upgraded to fulfill new government regulations. Improvements will convert the existing plant into a membrane micro-filtration facility and allow EVWD to double its capacity, currently at four million gallons a day.

### **Treatment Plant/Booster Station 150**

EVWD plans to design and build a new treatment plant and booster station on the Southwest corner of 6th Street and Del Rosa Drive. The centralized location will allow EVWD flexibility in meeting current as well as unforeseen, future regulations especially relating to perchlorate and nitrates. The new treatment plant will also have boosters to transfer water to higher zones from two on-site reservoirs.

### **Q. Why didn't the District save reserve funds for these capital improvement projects?**

**A.** Many of the government regulations that EVWD is working to comply with were only adopted in the last 2-4 years. Saving for a project such as Plant 150, for example, would require at least a decade of saving.

### **Q. Does EVWD have any reserves?**

**A.** Yes. However, to remain financially secure and fiscally responsible, EVWD cannot afford to spend down any more of its reserves. Utilizing reserve funds was one way the District has been able to maintain current rates since 2008.

### **Q. Why does EVWD need so many treatment facilities?**

**A.** EVWD is somewhat unique in Southern California, enjoying a water supply consisting almost entirely of local water. One major benefit to that is that EVWD does not incur the importing and transportation fees associated with using water from other parts of the region. However, the main cost it does incur is the costs associated with treating local groundwater, which includes electricity costs, chemical costs, maintenance costs and labor costs.

**Q. Will there be any public meetings about the increase?**

**A.** Yes. A Public Hearing is set for **July 15, 2010 at 6 p.m.** in the City of Highland Council Chambers, 27215 E. Baseline St., Highland, California. Additional information meetings may be held prior to July 15. Contact the District for more information at (909) 885-4900.

**Q. What is the purpose of the public meeting?**

**A.** The meeting, required by the State Constitution, will offer the public an opportunity to respond to the proposed rate increases. The Board of Directors will hear and consider all protests and objections. After the Public Hearing, if a majority of the property owners and tenants of real property directly liable for paying water and sewer bills for the affected parcels file written protests in opposition to the proposed rate increases, the increases will not be imposed. However, if a majority protest is not received, EVWD's Board of Directors may increase its water and sewer service rates in the manner described in the required Public Notice that was mailed to customers and potential customers on May 27, 2010. (The Notice is also available at [www.eastvalley.org](http://www.eastvalley.org).)

**Q. How can I protest the rate increases?**

**A.** Official protests can be submitted in writing. They must be received before the conclusion of the Public Hearing. You may also verbally address the Board at the Public Hearing, but oral comments do not qualify as a formal protest unless accompanied by a written protest.

**Q. If I cannot attend the Public Hearing, how can I submit a protest?**

**A.** Written protests may be mailed or delivered in person to the East Valley Water District, Attention: Board Secretary, P.O. Box 3427, San Bernardino, CA 92413. Written protests must specify the rate or charge being protested and must include: your name, parcel number and/or service address, and your signature. Please identify on the front of the envelope which fee you are protesting, whether mailed or delivered in person. Emailed protests will not be accepted.

**Q. Why don't I get to vote on rate increases?**

**A.** The East Valley Water District is governed by a Board of Directors, which voters select during general elections, and they vote on your behalf. The EVWD Board consists of five elected Board members, which have already been democratically elected by the District's residents to serve their constituents and represent their best interests in order to receive reliable, high quality drinking water.

**Q. If adopted, when will the rate increases go into effect?**

**A.** If adopted, the proposed rates would become effective October 1, 2010, but the increase would be phased-in annually over the next three years. Your first bill after October 1, 2010 would reflect the initial increases.