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Se puede encontrar en Rincon del Diablo Municipal Water District  
o por medio de Internet en [www.rinconwater.org](http://www.rinconwater.org).*

## **Proposition 218 Notification NOTICE OF PUBLIC HEARING ON PROPOSED WATER RATES ADJUSTMENTS**

*Owners - Please share this information with your tenants.*

**Date: Tuesday, June 9, 2015**

**Time: 6:00 p.m.**

**Location: 1920 N. Iris Lane, Escondido, CA 92026**

You are receiving this notice because you are a Rincon del Diablo Municipal Water District customer and you own property that is receiving water services. This notice is being furnished to you pursuant to California Constitution Article XIII D, also known as Proposition 218. Pursuant to Proposition 218, a Public Hearing has been scheduled on June 9 regarding Rincon Water's rates.

For the next five years Rincon Water proposes to adjust rates and charges as well as inclusion of a pass-through component for cost increases outside Rincon Water's control, which will be charged by the wholesale supplier, the San Diego County Water Authority.

### **What Do Water Rates Fund?**

Rincon Water is a nonprofit entity. In order to deliver water to more than 8,000 metered customers, Rincon Water maintains 119 miles of pipe, 10 reservoirs, and 4 pump stations over 42 square miles throughout the cities of Escondido and San Marcos and the County of San Diego. Monthly rates paid by the system's users are the primary source (88 percent) of revenue. All revenue generated from your utility bill is used to fund the water system's maintenance and operation. These revenues are not used for any other general government purposes. They are

collected for two purposes: (1) to finance the ongoing administration, operation, and maintenance costs associated with the water distribution system and (2) to pay for capital improvement and replacement program costs. The purpose of the capital replacement program is to provide for long-term replacement of pipes and other infrastructure as they deteriorate.

#### **Revenue Adjustment**

Rincon Water has determined that a revenue adjustment of 5 percent is necessary in order to provide the revenue requirement necessary to avoid operational deficits, depletion of reserves, and an inability to address infrastructure improvements.

Note: The 5 percent increase is not the net effect to the customer's water bill compared to previous bills. The revenue adjustment impact to each customer may increase or decrease beyond the 5 percent depending on the customer's water usage.

### **How Will the Rate Adjustment Be Used?**

Rincon Water recently completed an analysis of the project improvement requirements for the water system; the system requires extensive investment, primarily in the replacement and repair of aging pipes, and other equipment, in order to maintain a safe and reliable water delivery system. Rate revenues will be the primary funding for these replacements.

## What Is the Basis of the Proposed Rates?

Rincon Water has kept operating costs flat for the last seven years, increasing rates only to cover the increased cost of water and the funding needed for capital repairs and improvements. Rincon Water is proposing to adopt a five-year schedule of proposed water rates to be implemented beginning on September 1, 2015. In addition, the action would authorize periodic rate changes, if necessary, for unanticipated costs increases implemented by the wholesaler, the San Diego County Water Authority.

For a single family home that uses 7,000 gallons of water per month, the bill would increase by approximately \$3.50, or 5.6 percent. For a single family home that uses 20,000 gallons of water per month, the bill would increase by approximately \$11.75, or 9 percent. Your bill will vary based on meter size, water consumption, and geographic location. These estimates assume a 5 percent increase in cost for wholesale water supplies.

### Pass-through of San Diego County Water Authority Increases

The San Diego County Water Authority is Rincon Water's wholesale water supplier. Rincon Water proposes to pass-through 100 percent of any increase or decrease in San Diego County Water Authority's fees and charges imposed on Rincon Water for services and imported water purchases through September 1, 2020.

## How to Provide Comments or Protest the Rate Adjustment

You may comment or ask questions at any time by contacting Rincon Water or participating in the June 9, 2015, Public Hearing at 6:00 pm.

You have the right to protest the rate change if you are:

- i. The record owner of an affected parcel,
- ii. A person with a legal interest in an affected parcel, or
- iii. A person who is legally responsible to pay the rates for an affected parcel.

Water rates are subject to majority protest, which means if a majority of impacted owners submit written protest against the increase, Rincon Water cannot institute the new rates.

Protests must be in writing and mailed or hand-delivered to Rincon Water. Faxed or e-mailed protests cannot be accepted.

In compliance with Proposition 218, only one protest per property will be counted. All written protests must be received by Rincon Water before the end of the Public Hearing on June 9, 2015. Please direct written protests to Rincon Water, Director of Administration and Finance, 1920 N. Iris Lane, Escondido, CA 92026.

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Property Owner or Bill Payer Name \_\_\_\_\_

Assessor's Parcel Number (APN) \_\_\_\_\_

I Oppose the Proposed Rate Increase: \_\_\_\_\_ Water \_\_\_\_\_ Metered Rate Structure

Signed \_\_\_\_\_

## Proposed Rates

### Monthly Meter Charge

Size	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
5/8"	\$28.42	\$30.13	\$31.93	\$33.85	\$35.88
1"	\$40.35	\$42.77	\$45.33	\$48.05	\$50.93
1 1/2"	\$60.22	\$63.83	\$67.66	\$71.72	\$76.03
2"	\$84.07	\$89.11	\$94.46	\$100.13	\$106.14
3"	\$159.60	\$169.17	\$179.32	\$190.08	\$201.49
4"	\$219.22	\$232.37	\$246.32	\$261.09	\$276.76
6"	\$417.97	\$443.05	\$469.63	\$497.81	\$527.68
8"	\$656.47	\$695.86	\$737.61	\$781.87	\$828.78

### Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Tier 1	\$4.80	\$5.19	\$5.62	\$6.07	\$6.57
Tier 2	\$5.66	\$6.12	\$6.62	\$7.16	\$7.75
Tier 3	\$6.00	\$6.49	\$7.02	\$7.59	\$8.21

### Non-Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Uniform	\$ 5.26	\$ 5.69	\$ 6.15	\$ 6.66	\$ 7.20

### Monthly Recycled Water Meter Charge

Size	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
5/8"	\$14.21	\$15.06	\$15.97	\$16.92	\$17.94
1"	\$20.17	\$21.38	\$22.67	\$24.03	\$25.47
1 1/2"	\$30.11	\$31.92	\$33.83	\$35.86	\$38.01
2"	\$42.04	\$44.56	\$47.23	\$50.06	\$53.07
3"	\$79.80	\$84.59	\$89.66	\$95.04	\$100.74
4"	\$109.61	\$116.19	\$123.16	\$130.55	\$138.38
6"	\$208.99	\$221.52	\$234.82	\$248.90	\$263.84
8"	\$328.24	\$347.93	\$368.80	\$390.93	\$414.39

### Recycled Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Uniform	\$ 4.65	\$ 4.92	\$ 5.22	\$ 5.53	\$ 5.86

### Monthly Private Fire Line Charge

Size	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1"	\$12.94	\$13.71	\$14.54	\$15.41	\$16.33
2"	\$25.87	\$27.43	\$29.07	\$30.82	\$32.66
4"	\$51.75	\$54.85	\$58.14	\$61.63	\$65.33
6"	\$77.62	\$82.28	\$87.21	\$92.45	\$97.99
8"	\$103.49	\$109.70	\$116.29	\$123.26	\$130.66
10"	\$129.37	\$137.13	\$145.36	\$154.08	\$163.32

### Pumping Charge (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Uniform	\$0.21	\$0.23	\$0.25	\$0.27	\$0.29

### Current Monthly SDCWA IAC Meter Charge

5/8"	\$ 2.76	2"	\$ 14.36	6"	\$ 82.85
1"	\$ 4.42	3"	\$ 26.51	8"	\$ 143.60
1 1/2"	\$ 8.29	4"	\$ 45.29		

## Proposed Drought Rates

### Drought Level 1

#### Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Tier 1	\$ 5.05	\$ 5.46	\$ 5.91	\$ 6.39	\$ 6.91
Tier 2	\$ 5.92	\$ 6.40	\$ 6.93	\$ 7.49	\$ 8.10
Tier 3	\$ 6.30	\$ 6.81	\$ 7.37	\$ 7.97	\$ 8.62

#### Non-Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Uniform	\$ 5.52	\$ 5.97	\$ 6.46	\$ 6.99	\$ 7.56

### Drought Level 2

#### Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Tier 1	\$ 5.37	\$ 5.81	\$ 6.28	\$ 6.80	\$ 7.35
Tier 2	\$ 6.25	\$ 6.76	\$ 7.31	\$ 7.91	\$ 8.55
Tier 3	\$ 6.69	\$ 7.24	\$ 7.83	\$ 8.47	\$ 9.16

#### Non-Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Uniform	\$ 5.86	\$ 6.34	\$ 6.86	\$ 7.42	\$ 8.02

### Drought Level 3

#### Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Tier 1	\$ 5.76	\$ 6.23	\$ 6.74	\$ 7.29	\$ 7.88
Tier 2	\$ 6.67	\$ 7.21	\$ 7.80	\$ 8.44	\$ 9.13
Tier 3	\$ 7.16	\$ 7.74	\$ 8.38	\$ 9.06	\$ 9.80

#### Non-Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Uniform	\$ 6.28	\$ 6.79	\$ 7.35	\$ 7.95	\$ 8.60

### Drought Level 4

#### Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Tier 1	\$ 6.26	\$ 6.77	\$ 7.32	\$ 7.92	\$ 8.57
Tier 2	\$ 7.18	\$ 7.77	\$ 8.40	\$ 9.09	\$ 9.83
Tier 3	\$ 7.76	\$ 8.39	\$ 9.08	\$ 9.82	\$ 10.62

#### Non-Residential Water Usage (per unit)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Uniform	\$ 6.80	\$ 7.36	\$ 7.96	\$ 8.60	\$ 9.31

### Notes:

Rates do not include pass-through of the San Diego County Water Authority increases, which will be noticed not less than thirty calendar days prior to the effective date of adjustment.

	Residential	Apt/Mobile Home	Agriculture
Tier 1	1-5 units	1-2 units	100% of water budget
Tier 2	6-24 units	3-5 units	>100% of water budget
Tier 3	>25 units	>6 units	