



Notice of Public Hearing

Thursday, June 24, 2021 at 6 p.m.

This meeting will be held virtually. Log in information available at www.evmwd.com/budget.

The Elsinore Valley Municipal Water District (EVMWD) Board of Directors is facilitating a virtual public hearing at the time and date specified above to consider a proposed four-year schedule of rate adjustments beginning January 1, 2022, and each July 1 thereafter, through 2024.

The proposed rate adjustments will be applicable to all parcels that receive water service from EVMWD. All property owners and other customers of record who own these parcels are being issued this notice of public hearing.

This hearing is open to the public. Please note: property owners who will be affected by these proposed rate adjustments and any tenants directly responsible for the payment of water service fees and charges may submit a written protest to the proposed rate changes. See “How Can You Participate?” to learn more.

Additional information about the proposed rate changes is available in this notice and online at: www.evmwd.com/budget.

Si gustaría obtener esta información en español, por favor visite www.evmwd.com/budget.

Why Have I Received This Notice?

You have received this notice because EVMWD is considering rate adjustments that will affect your water service charges. EVMWD is committed to transparency and this notice, alongside the scheduled public hearing, will explain the research, reasoning and analysis behind these proposed rate adjustments.

Your Agency at a Glance

EVMWD is a retail agency of the Western Municipal Water District, a member agency of the Metropolitan Water District of Southern California and provides approximately 157,000 customers water and sewer service through more than 46,000 connections. Typically, EVMWD imports about 65 percent of its water from the Colorado River Aqueduct and the State Water Project and generates about 35 percent of its water supply from local water supply sources. In 2021, EVMWD must rely more on imported water in response to new regulations.

EVMWD's Board of Directors is authorized to set rates, fees and charges for services, operations and debt financing of capital improvements.

EVMWD is committed to:

- Transparency and Accountability
- Responsible Resource Stewardship
- Water Conservation Education
- Comprehensive Customer Engagement
- Water Reliability and Sustainability



748
miles of water pipeline



415
miles of sewer pipeline



7.3
billion gallons of water delivered annually



19,500
water quality and safety tests conducted annually



14
groundwater wells



2
drinking water treatment plants



3
wastewater treatment plants



7.2
million gallons of wastewater treated each day

Why are Rate Adjustments Being Considered?

EVMWD's rates for water services must account for the true costs of providing those services. To determine that true cost, EVMWD retained an independent financial consultant to develop a comprehensive financial plan, update and prepare a rate study report. The report shows the need for rate increases to account for increased costs for energy, maintenance, treatment, infrastructure, delivery and supply, and meet reserve requirements.

The majority of the rate increase is based on the unique situation for the Temescal Division. EVMWD's Temescal Division receives water from two groundwater wells located in the Temescal Valley region. This water has been less expensive because it is a local source and not imported from Northern California and the Colorado River. The wells in the Temescal Division are over 40 years old. Despite regular preventative maintenance by EVMWD, the wells are failing and require work to restore capacity and efficiency. The District is in the process of rehabilitating one well and drilling a new well to meet the water needs of our Temescal Division ratepayers. While the rehabilitation is completed, EVMWD must rely on more expensive imported water to supply the region.

The cost of the well project exceeds \$7.8 million. In the next fiscal year, EVMWD is considering an 11.5% increase on the bill to assist in covering these costs.

The rates proposed in this notice are based on the conclusions from the rate study, and meet our priorities of being fair, equitable and compliant with state law and are designed to recover EVMWD's costs of service. Copies of the rate study are available at www.evmwd.com/budget.



What Determines the Cost of Water Service?

Water service remains of great value in California even with the significant costs incurred to treat and deliver safe water and provide reliable service to homes and businesses on demand, 24 hours a day, 7 days a week.

Some of the factors that are considered when setting water rates include:

- Cost of imported water, energy and treatment chemicals
- Repairs and replacement of aging facilities, pipes, pumps and equipment
- Debt payments
- Investments to secure new water supplies
- Cost of qualified and certified staff
- Costs of regulatory compliance



Controlling District Expenses to Keep Rates as Low as Possible

EVMWD is committed to providing high quality water services at affordable rates. While certain cost increases cannot be avoided, EVMWD strives to reduce costs in other ways.



Staff reduced by one, while community growth increased by 22 percent since 2009



Reduced future non contractual operations and maintenance costs by \$1.8 million



Well rehabilitation cost offsets: Reduced rate adjustments phased in to keep costs lower



Reduced non-contractual operation and maintenance costs to offset impacts of COVID-19 by \$1.1 million, or 10 percent



Imported water travels hundreds of miles to reach Elsinore Valley



Transporting water from facility to home



Regulation compliance costs EVMWD and our customers around \$9 million annually, amounting to 10% of the District's overall budget.

Imported Water Costs

EVMWD, among water suppliers throughout Southern California, depends on imported water because local water supplies are insufficient to supply our customers with enough water. During the well rehabilitation, EVMWD must rely on this source to provide water to the Temescal Division. Imported water is significantly more expensive than local water as it needs to travel much further to reach our customers, requiring more energy and infrastructure. Over a two-year period, we are facing a \$4.2 million increase in imported water costs.

Energy

Our water services require energy to treat and then deliver water from our treatment plant to your home or property. Electrical costs will increase 18-27% over the next two years, amounting to \$724,000 in annual costs.

Did You Know?

In California, nearly a fifth of all electrical power generated is used for pumping, transporting and treating water.

California Water Regulations

EVMWD must comply with many local, state and federal standards as we provide our community with the highest quality water and wastewater services. New regulations have increased our reliance on more expensive imported water supplies in recent years. For example, EVMWD has had to increase dependence on imported water because of the state's new guidelines for PFAS chemicals that make some of our local supplies unavailable.

The health and safety of our community is the top priority of our district, as well as state and federal regulators. Each and every compliance measure is designed to protect you – our valuable customer. Through these requirements, you are given a set of important guarantees when it comes to our commitment to service and quality.

Employee Obligations

EVMWD takes care of its customers and its employees. The District continuously invests in employees' knowledge and skills through technical trainings. All EVMWD staff who work with our water and wastewater systems must maintain current certifications and learn about the everchanging federal, state and local water regulations. And, while the District seeks competitive pricing, the costs of benefits like health care continue to rise.



Did you know?

As a public utility, EVMWD cannot profit from what it charges to provide water and sewer service and will only charge the actual cost of the services provided.



Understanding Your Water Bill

Fixed Charges vs. Tiered Water Rates

The rate structure is comprised of two components: a fixed charge (the “**FIXED MONTHLY SERVICE CHARGE**”); and a variable volumetric water consumption charge (the “**TIERED WATER RATE**”).

The **FIXED MONTHLY SERVICE CHARGE** is based on the size of the water meter serving a property and is designed to recover a portion of the “fixed costs” that are incurred to make water service available – regardless of how much water (volume) is used. Examples include water meter repair and replacement, meter reading, billing and customer service.

The **TIERED WATER RATE** is based on the volume of water delivered to a property and consists of three or four tiers (based on customer classification) with higher rates as the water use increases.

The rate structure has three customer classifications: residential, commercial, and irrigation. Each residential and irrigation customer is allocated a reasonable amount of water based on that customer’s particular needs. This allocation is referred to as a “water budget.” All water used by a residential customer within their assigned indoor and outdoor water budget is billed at the Tier 1 and Tier 2 rate, respectively. Water use that exceeds a property’s water budget is charged the higher Tier 3 and Tier 4 rates, as it costs EVMWD more to secure the additional water supply.



Did you know?

You can fill more than two 1-gallon jugs with water from your tap for about a penny.

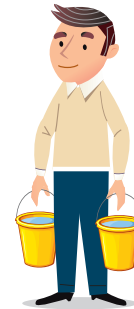
WATER BUDGET TIERS MADE SIMPLE

Elsinore Eddie is a typical EVMWD customer and is conscientiously doing his part to reduce water use at home.



TIER 1

Eddie thinks of his family’s water budget as buckets of water they have for efficient use all month. The first bucket is for essential indoor water use including drinking, cooking and washing.



TIER 2

Eddie knows he has limited water in the second tier for outdoor water and he only uses what he absolutely needs to keep his California-friendly landscaped yard looking good all year.



TIER 3

When Eddie has variations in his water use because of house guests or the kids using the hose on a hot summer day, he slips into the third tier and pays more for that extra bucket of water.



TIER 4

If Eddie sees that his water use dips into the excessive bucket, he uses Aquahawk to look for leaks and more ways to reduce his water use. Eddie can also contact EVMWD for a water audit to investigate why his water use is greater than usual.

Temescal Proposed Water Rates and Service Charges

Water Rates	Current Rates	Proposed Rates Effective 01/01/2022	Proposed Rates Effective 07/01/2022	Proposed Rates Effective 07/01/2023	Proposed Rates Effective 07/01/2024
Potable Residential Water Rates (\$/CCF*)					
Tier 1	\$1.19	\$1.38	\$1.60	\$1.86	\$2.15
Tier 2	\$2.36	\$2.74	\$3.17	\$3.68	\$4.25
Tier 3	\$3.45	\$4.00	\$4.63	\$5.37	\$6.19
Tier 4	\$9.03	\$10.45	\$12.08	\$13.99	\$16.12
Irrigation Water Rates (\$/CCF*)					
Tier 1	\$2.07	\$2.40	\$2.78	\$3.22	\$3.72
Tier 2	\$3.86	\$4.47	\$5.17	\$5.99	\$6.91
Tier 3	\$9.92	\$11.48	\$13.28	\$15.38	\$17.73
Commercial/Institutional (\$/CCF*)					
Commercial/Institutional	\$2.00	\$2.32	\$2.69	\$3.12	\$3.60
Power Zone Charges (\$/CCF*)					
Zone 1	\$0.12	\$0.13	\$0.14	\$0.15	\$0.16

1 CCF = 748 gallons*

PROPOSED POTABLE RESIDENTIAL WATER RATES

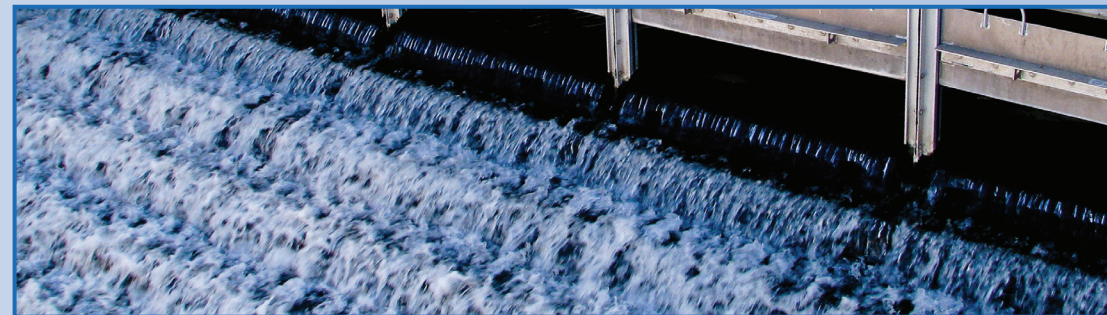
The residential structure accounts for the statewide water use standard of 55 gallons of water, per person, per day, which is used to calculate a household's indoor water budget. Households will also receive a water budget for outdoor use based on the irrigated square footage of the property. Above that water budget, Tier 3 and Tier 4 water use will cost customers more, as it costs EVMWD more to secure this additional water supply. Tier 3 is up to 30% of the Tier 2 allowance and Tier 4 is any water use in excess of Tier 3.

PROPOSED IRRIGATION WATER RATES

The proposed water rates reflect a three-tiered rate structure based on usage for commercial customers who utilize water for irrigation purposes. Tier 1's water budget is calculated based on the irrigated square footage of the property. Tier 2 is up to 30% of the Tier 1 allowance and Tier 3 is any water use in excess of Tier 2.

POWER ZONE CHARGE

The power zone charge is directly related to the cost of pumping water to different elevations and the amount of water a property consumes. It covers costs associated with energy required by EVMWD to pump water to an elevation that is appropriate to serve your home.



Proposed Fixed Service Charges

Meter Size	Current Rates	Proposed Rates Effective 01/01/2022	Proposed Rates Effective 07/01/2022	Proposed Rates Effective 07/01/2023	Proposed Rates Effective 07/01/2024
3/4 - inch	\$28.70	\$30.28	\$31.95	\$33.39	\$34.90
1 - inch	\$47.83	\$50.47	\$53.25	\$55.65	\$58.16
1 1/2 - inch	\$95.67	\$100.94	\$106.50	\$111.30	\$116.31
2 - inch	\$153.07	\$161.49	\$170.38	\$178.05	\$186.07
3 - inch	\$306.14	\$322.98	\$340.75	\$356.09	\$372.12
4 - inch	\$478.35	\$504.66	\$532.42	\$556.38	\$581.42
6 - inch	\$956.69	\$1,009.31	\$1,064.83	\$1,112.75	\$1,162.83
8 - inch	\$1,530.70	\$1,614.89	\$1,703.71	\$1,780.38	\$1,860.50
10 - inch	\$4,018.10	\$4,239.10	\$4,472.26	\$4,673.52	\$4,883.83
12 - inch	\$5,070.46	\$5,349.34	\$5,643.56	\$5,897.53	\$6,162.92

Water Service Charge: Service charges are based on a thirty-day period and help pay for the costs associated with meter reading, meter maintenance, billing and customer service. These charges are determined by meter size, not by the amount of water delivered.



Proposed Fixed Fire Line Charges

Meter Size	Current Rates	Proposed Rates Effective 01/01/2022	Proposed Rates Effective 07/01/2022	Proposed Rates Effective 07/01/2023	Proposed Rates Effective 07/01/2024
Fixed Service Charge					
2 - inch	\$2.66	\$2.81	\$2.97	\$3.11	\$3.25
3 - inch	\$4.11	\$4.34	\$4.58	\$4.79	\$5.01
4 - inch	\$9.26	\$9.77	\$10.31	\$10.78	\$11.27
6 - inch	\$26.87	\$28.35	\$29.91	\$31.26	\$32.67
8 - inch	\$57.28	\$60.44	\$63.77	\$66.64	\$69.64
10 - inch	\$102.99	\$108.66	\$114.64	\$119.80	\$125.20
12 - inch	\$166.35	\$175.50	\$185.16	\$193.50	\$202.21

Fire Line Service Charge: Fire line fixed service charges reflect a thirty day service charge, based on meter size, for meters supplying hydrants or other fire suppression facilities. Revenues from these charges defray additional overhead costs of serving and maintaining this infrastructure.





Did you know?

EVMWD has been awarded more than \$254 million in grants and low-interest loans to offset the cost of projects to enhance water and sewer systems and reduces costs to ratepayers.

How will the new changes impact you?

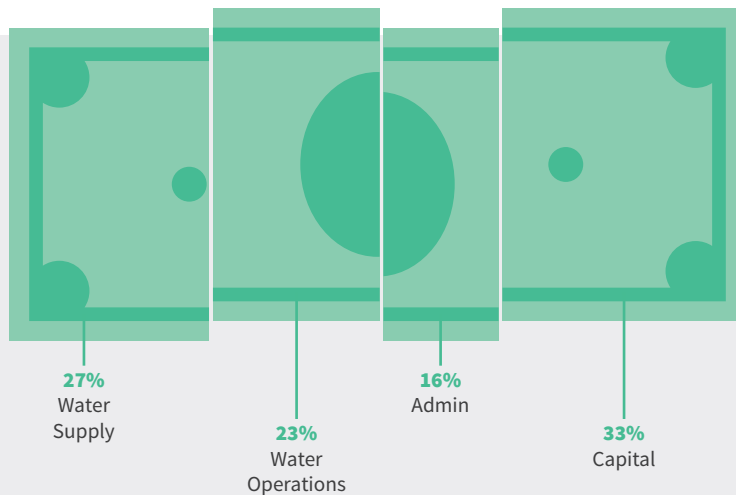
The table below shows an example of how the proposed rate changes, as set forth in this notice, may affect an average bill. The customer used in this example has ¾ inch meter and 4 people in their household and a property size of 4,704 sq. feet in power zone 1. They used 21 CCFs (1 CCF = 748 gallons) in the month of September.

Please visit evmwd.com/budget and use our online bill estimator to estimate the impact of the proposed rates on your own bill.

Charge or Rate Type	Current Bill			With Proposed Rates Effective 01/01/2022		
	Usage (CCF)	Rate	Total	Usage (CCF)	Rate	Total
Tier 1	9	\$1.19	\$10.71	9	\$1.38	\$12.42
Tier 2	12	\$2.36	\$28.32	12	\$2.74	\$32.88
Fixed Monthly Service Charge		\$28.70	\$28.70		\$30.28	\$30.28
Power Zone	21	\$0.12	\$2.52	21	\$0.13	\$2.73
Total Water Charges			\$70.25			\$78.31
Estimated Total Bill			\$70.25			\$78.31

Where does each dollar go?

The graphic on the right shows how EVMWD allocates funds, dollar for dollar.



Supporting Our Customers During COVID-19

At EVMWD, we are committed to protecting public health and assisting customers during the COVID-19 pandemic by minimizing economic hardships and continuing to provide safe, clean drinking water without interruption.

Our lobby is open for in person assistance. Customers who prefer to do business virtually can contact us with any questions or pay their bills online in the following ways:

- Online at www.onlinebiller.com/evmwd
- Use our automated phone system: (951) 674-3146
- EVMWD Mobile App (Available through Google Play and Apple Store)
- Drop box located at EVMWD Headquarters
- CheckFreePay locations throughout the service area

Use Advanced Meters to Take Control of Your Water Bill

EVMWD has secured government grants and low-interest loans over the last several years to install advanced meters across its service area and give customers more control over their water bill.

Using AquaHawk Alerting, a free online tool, ratepayers have the ability to quickly detect a leak, monitor daily water use, view estimated billing amounts and receive alerts when they are nearing custom-set water use or dollar thresholds.

The technology helps EVMWD improve water resource management and customer service. Meters are read remotely four times a day,

Online Bill Pay

The user friendly and secure way to manage water bills allows customers to register for paperless billing and set up automatic payments. No need for stamps or writing checks, customers can pay online with a variety of payment options, including a checking account, credit card, or debit card. It's also an ideal way to go green and reduce your mailbox clutter. To enroll now, visit www.onlinebiller.com/evmwd.

EVMWD

There's an App for that!



The EVMWD app allows customers to view their bill in detail, make one-time payments with a credit card or bank account and sign up for automatic payments. Users can also link directly to EVMWD's social media feeds on Facebook and Twitter for the most current information on rebates, conservation and special events. With the app, users can quickly access EVMWD's mobile friendly website, which links to information on current water restrictions, construction projects, board meeting agendas and rebates.

providing a bill estimate at any time during the billing cycle and eliminating the need for staff to access in-ground meter boxes at homes.

All customers have access to AquaHawk at www.evmwd.com. The login is the same username and password used for online bill pay. Give it a try and start saving water and money today!



The Value of Tap Water

Tap water is a much better value than bottled water. Spending more on bottled water doesn't guarantee better quality.

Because tap water is more heavily regulated than bottled water in the United States, water agencies, like EVMWD, are required to test and monitor tap water daily. Because of our rigorous water quality programs, you can expect clean, high quality water 24 hours a day, 7 days a week.



Tap Water

- ✓ Tested daily
- ✓ Regulated by local, state and federal agencies
- ✓ Required to report findings
- ✓ 1 gallon of water comes out to \$0.006 (less than a penny!)



Bottled Water

- ✗ The FDA and the EPA do not certify bottled water
- ✗ Infrequent monitoring, testing or regulation
- ✗ Inconsistent inspections
- ✗ Water quality can be unreliable
- ✗ Costs an average of \$2.50 per gallon



Need help paying your water bill? We have support available.

EVMWD wants to continue supporting its community, especially as we face the financial hardships brought on by the COVID-19 pandemic. EVMWD will temporarily continue deferring late fees and disconnections for nonpayment. Customers can visit our website to learn more about our assistance programs at www.evmwd.com/RARE.



RARE: Rate Assistance for Residents of Elsinore Valley

The District's Rate Assistance for Residents of Elsinore Valley (RARE) program is designed to help customers with their water utility bill at their primary residence.

RARE provides a fixed credit on the water bill. The program is based on income and water use and is available on a first-come, first-served basis while funding is available. The application and details are available online at evmwd.com/rare.

EVMWD offers many ways to assist customers with their water bills. Visit www.evmwd.com/rare to learn more.

Accepting EBT

Use your EBT card with cash aid benefits in person at the EVMWD Headquarters to pay your bill.



Payment Plans

If you are facing financial hardship, EVMWD can help you set up a payment plan. Please contact Customer Service at (951) 674-3146 to discuss options.

RARE and rebate program funding is limited. Visit www.evmwd.com for more information or contact EVMWD at (951) 674-3146.

Helping you Save Water and Money



EVMWD is committed to helping customers save water and money, especially as we face the environmental and financial hardships brought on by both climate change and the COVID-19 pandemic.

Extreme heat and dry periods are, and will continue to be, part of the California climate and conservation must be part of our response. That's why EVMWD and other water suppliers, along with the California Department of Water Resources and the State Water Resources Control Board, emphasize that conservation is a way of life across California.

By becoming more water-efficient, we will be able to both accommodate a growing population and tackle any obstacles climate change may bring our way.

EVMWD offers rebates for high-efficiency toilets, clothes washers and hot water recirculating systems. The greatest savings potential is outside in your property's landscaping, where up to 65% of all residential water is used. EVMWD also gives cash back for customers who convert their grass to low-water landscaping, install weather-based irrigation controllers and sprinkler nozzles and use rain barrels and cisterns.

For details and information on EVMWD's rebate programs, visit us online at www.evmwd.com/conservation.

Ways to Conserve Water and Save Money



Low-Water Appliances



Native Landscaping



Turf Replacement



Hot Water Recirculating System



How Can You Participate?

SUBMIT A FORMAL WRITTEN PROTEST.

Specify the rate or charge being protested and include your name, parcel number and/or service address, and your signature. Mail or deliver your formal written protest in-person to:

Elsinore Valley Municipal Water District
Attention: Secretary of the Board
31315 Chaney St.
Lake Elsinore, CA 92530

To submit a protest electronically, please visit www.evmwd.com/budget. Only one protest will be considered per parcel. Written protests that are mailed or delivered in person must be received by District staff no later than 4:00 PM on June 24th. Protests submitted electronically must be submitted by the close of the public hearing.

CALL, VISIT OR LOG-ON. More information on the projected adjustments, including the rate study, is available for review at the EVMWD office or on our website: www.evmwd.com/budget. For additional information or questions, please call us at (951) 674-3146.

ATTEND THE PUBLIC HEARING. Members of the public are welcome to attend the public hearing regarding the proposed rate changes. **The hearing will be held virtually on Thursday, June 24, 2021. To attend via Zoom visit www.evmwd.com/budget. Presentations will be held at 6:00 PM followed by a public hearing.** At the public hearing, all members of the public will have an opportunity to speak, but verbal comments alone do not qualify as a formal protest.

PUBLIC HEARING PROCESS. At the public hearing, the Board of Directors will consider all formal written protests and public comments. Afterwards, if a majority of the property owners and customers of record of the impacted parcels have submitted a formal written protest in opposition to the proposed rate adjustments, the adjustments will not be imposed. If a majority protest is not received, EVMWD's Board of Directors may adopt the proposed changes. If adopted, the proposed rates will become effective January 1, 2022, and scheduled adjustments would be implemented annually over the next four years.



If adopted, beginning on January 1, 2022 and any time thereafter through June 30, 2025, the District may increase the proposed rates for the water service charges by the annual percentage increase as of March of the prior year, in the Consumer Price Index, all Urban Consumers, for the Los Angeles-Orange-Riverside County Area ("CPI"), as determined by the United States Department of Labor Statistics and not to exceed 5% in any fiscal year (the "Inflationary Adjustments").

Additionally, if adopted, the proposed rates for the water service charges may also increase annually, beginning July 1, 2021 and any time thereafter through and including June 30, 2025, by an amount equal to (1) any incremental increase in the cost of energy purchased from Southern California Edison

and (2) any increases for the cost of water purchased from Western Municipal Water District (the "Wholesale Pass-Throughs" and, together with the Inflationary Adjustment, the "Pass-Throughs"), not to exceed 8% in total in any fiscal year.

The Pass-Throughs may be automatically implemented without further published notice, provided that (1) any increase to the rates for the water service charges as a result of the Pass-Throughs will not cause the water service rates to exceed the cost of providing service and (2) the District mails a notice of the Pass-Through to all affected properties at least thirty days prior to any implementation.

For additional information, please contact the District Customer Service at (951) 674-3146.



Elsinore Valley Municipal Water District

Hours of Operation:

M-Th 7:30 – 5:30 **F** 7:30 – 4:30



Elsinore Valley Municipal Water District

Elsinore Valley Municipal

Water District

31315 Chaney Street

P.O. Box 3000

Lake Elsinore, CA 92531-3000

Notice of Public Hearing

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