

EMWD Efforts Minimize Rate Increases Amid Record Inflation

One of EMWD's main priorities is to maintain the financial stability and responsible stewardship of ratepayer funds. We continue to deliver high-quality, safe and reliable water, wastewater and recycled water services throughout our 558 square mile service area to nearly one million customers today, and into the future.

EMWD recently conducted a Cost of Service Study to ensure that its rate structure adequately reflects the costs of providing essential water and wastewater services. The study showed that unprecedented inflation has increased costs significantly for EMWD operations and supplies such as energy and chemicals. Maintaining our extensive network of pipelines, equipment, treatment facilities, and storage facilities requires a significant amount of energy as well as chemicals to ensure reliable and safe services. The cost of our imported water supplies, which represents about 50 percent of our overall water supply, has also increased.

In addition, EMWD must continuously invest in facilities and equipment to keep water, wastewater and recycled water systems operating efficiently, with minimal emergencies such as water pipeline breaks or sewer spills. To reduce costs for ratepayers, EMWD aggressively seeks grant funding opportunities and has secured millions of dollars just in the past year. EMWD also invests in sustainability projects such as solar energy and battery storage to lower EMWD's overall energy costs.

EMWD is continually committed to balancing its strong financial position and operational efficiencies with critical facility investments over an appropriate period of time. This is achieved by establishing reserve funds, financing plans, and using rate revenue to achieve the lowest rates possible for customers. Thanks to this proactive financial strategy, EMWD will utilize reserve funds over the next two years to help offset the highest inflationary costs we've seen in nearly 40 years.

YOU'RE INVITED TO ATTEND OUR AGRICULTURAL RATES PUBLIC HEARING

Date: June 21, 2023

Time: 9:00 a.m.

Location: Eastern Municipal Water
District Board Room
2270 Trumble Road, Perris, CA 92570

The Board of Directors of Eastern Municipal Water District (EMWD) will conduct a public hearing to consider changes to the water and sewer rate structures and rates set forth herein. Any customers or property owners may appear at the hearing to make comments regarding the proposed changes. To file an opposition, property owners and tenants of real property who are directly liable to pay water and/or sewer bills may submit a written protest against the proposed water rate increases, the proposed sewer rate increases, or both. Written protests may be mailed or delivered in-person to Eastern Municipal Water District, Attention: 2024-2025 Proposed Rates, PO Box 8300, Perris, CA 92572-8300. Protests must include: your name, parcel number and/or service address, and your signature. All written protests must be received prior to the conclusion of the public hearing. Challenges to Board adopted rates are subject to a 120-day statute of limitations.

More information about the proposed changes is available in this document and online at www.emwd.org/ProposedRates.

Aviso de audiencia pública para considerar las tarifas de agua y alcantarilla basado en el costo de servicio.

Proposed Water Service Rates

EMWD treats and delivers water via two water filtration plants, three desalination plants and nearly 2,600 miles of pipelines. Your water is continuously tested to make sure it meets or exceeds all standards.

Your water service is billed through water commodity rates, daily service charges, and a Water Supply Reliability Capital Projects Charge.

Due to increases in treatment and operational costs, specifically energy and chemical prices, that significantly exceeded the average inflationary rate, EMWD is proposing various increases reflective in the tables on this page.

To minimize the initial water rate impacts for its customers for 2024 and 2025, EMWD is utilizing reserve funds and phasing water rate adjustments over a 5 year period to smooth out the impact to its customers.

Water Supply Reliability Capital Projects Daily Charge based on Meter Size	Current	Proposed	
		Effective 1/1/2024	Effective 1/1/2025
5/8 inch	\$0.1783	\$0.200	\$0.214
3/4 inch	\$0.1783	\$0.200	\$0.214
1 inch	\$0.273	\$0.306	\$0.328

Rate Code	Daily Service Charge			Commodity Rate per Acre-Foot		
	Current (1" or smaller meter)	Proposed as of 1/1/2024	Proposed as of 1/1/2025	Current	Proposed as of 1/1/2024	Proposed as of 1/1/2025
Demand Agriculture Retail						
C101	\$0.50	\$0.556	\$0.592	\$1,446.19	\$1,568.16	\$1,672.70
C201	\$0.50	\$0.556	\$0.592	\$1,446.19	\$1,568.16	\$1,672.70
C202	\$0.50	\$0.556	\$0.592	\$1,067.17	\$1,172.82	\$1,288.92
C203 ¹	\$0.50	\$0.556	\$0.592	\$874.07	\$952.74	\$1,013.72
C204 ²	\$0.50	\$0.556	\$0.592	\$1,168.78	\$1,273.97	\$1,355.50
C205 ³	\$0.50	\$0.556	\$0.592	\$1,030.23	\$1,127.43	\$1,202.56
C301	\$0.50	\$0.556	\$0.592	\$1,446.19	\$1,568.16	\$1,672.70
C401 ⁴	\$0.50	\$0.556	\$0.592	\$1,446.19	\$1,568.16	\$1,672.70
C402	\$0.50	\$0.556	\$0.592	\$1,067.17	\$1,172.82	\$1,288.92
C403 ⁴	\$0.50	\$0.556	\$0.592	\$1,446.19	\$1,568.16	\$1,672.70

¹Untreated for Dairies. ²Untreated for Excess Rate, Dairies. ³Untreated Non-Dairies. ⁴At Domestic Rate

Scheduled Agriculture Retail						
D101	\$0.50	\$0.556	\$0.592	\$1,446.19	\$1,568.16	\$1,672.70
D102	\$0.50	\$0.556	\$0.592	\$1,446.19	\$1,568.16	\$1,672.70
D201	\$0.50	\$0.556	\$0.592	\$1,446.19	\$1,568.16	\$1,672.70
D206	\$0.50	\$0.556	\$0.592	\$863.37	\$948.84	\$1,042.77
Agriculture/Irrigation Wholesale						
F205 ¹	\$ -	\$ -	\$ -	\$1,021.02	\$1,083.96	\$1,164.54
F206 ²	\$ -	\$ -	\$ -	\$100.98	\$110.06	\$117.11
F207	\$ -	\$ -	\$ -	\$419.70	\$457.48	\$486.75
F500 ³	n/a	n/a	n/a	\$42.00	\$199.00	\$202.00

¹Ag/Irrig Wholesale- Lake Hemet Municipal Water District (LHMWD)-EM14 ²Ag/Irrig Replenish- LHMWD-EM14 ³Wholesale Ag-Metropolitan (MWD) Tier 2 Surcharge

Proposed Sewer Service Rates

EMWD collects and treats an average of 49 million gallons of wastewater (sewer) every day at its four operating regional water reclamation facilities. Sewer service areas were originally defined by the geographic area surrounding the plant serving that area, and rates were set based on the costs to serve that area. Today, all of EMWD’s facilities are interconnected, which allows staff to shift flows as necessary for optimal efficiency and reliability. As a result, EMWD is proposing to transition to a universal, or “postage stamp” sewer rate over the next seven years.

Sewer rates are calculated using a baseline Daily Service Charge. The proposed rates address the increased cost of treatment and operations, specifically energy, chemicals and waste hauling costs that significantly exceeded the average inflationary rate, as well as investments in necessary facility maintenance projects.

The total proposed increases range from 2 to 7 percent effective January 1, 2024, and another 2 to 7 percent effective January 1, 2025. EMWD is using reserve funds to minimize the cost impacts, leaving the proposed increases below the annual average inflation rate, also known as CPI, which was 8.7 percent for EMWD’s service area in 2022.

Area Served (Full Service)	Current Daily Service Charge (DSC) per Equivalent Dwelling Unit (EDU)	Proposed DSC per EDU as of 1/1/2024	Proposed DSC per EDU as of 1/1/2025
Includes areas in and around Hemet, San Jacinto, and Winchester	\$1.00	\$1.07	\$1.15
Includes areas in and around Moreno Valley	\$1.02	\$1.09	\$1.17
Includes areas in and around the City of Menifee (Sun City)	\$1.04	\$1.11	\$1.19
Includes areas in and around Temecula, Murrieta, and French Valley	\$1.17	\$1.21	\$1.26
Includes areas in and around Perris, Romoland, Homeland, and northern portions of Menifee	\$1.36	\$1.37	\$1.40
Canyon Lake*	\$1.90	\$1.99	\$2.07

*EMWD bills customers in this area for sewer service rendered through Elsinore Valley Municipal Water District, at the rate established by EVMWD, and is subject to further adjustments by EVMWD.

Sewer System Capital Projects Daily Charge per Equivalent Dwelling Unit	Current	Proposed Effective 1/1/24	Proposed Effective 1/1/25
	\$0.11967	\$0.141	\$0.149
Average Monthly Charge	\$3.64	\$4.29	\$4.53

EMWD Drought Stages

Thank you, EMWD customers, for staying WaterWise! EMWD adopted its Water Shortage Contingency Plan (WSCP) to regulate the delivery and consumption of water during water shortages. The higher stages of the WSCP are designed to encourage customers to reduce water use by temporarily reducing customer water budgets in varying stages, depending on the severity of the shortage. EMWD's Board of Directors has the authority to initiate or terminate water shortage contingency measures described in the WSCP, and takes such actions as needed in public meetings.

Stage 1: Supply Watch

Voluntary reduction of water use of up to 10 percent.

Stage 2: Supply Alert

Voluntary reduction of water use of up to 25 percent.

Stage 3: Mandatory Waste Reduction

Enforced through changes to the water budget-based tiered rates as follows:

Stage 3a: No variances or adjustments allowed for filling swimming pools, establishing landscape, or leaks not repaired within 48 hours;

Stage 3b: Tier 3 (*Excessive use*) budgets reduced by 50 percent;

Stage 3c: Tier 3 budgets eliminated.

Stages 4 and 5: Mandatory Outdoor and Indoor Reductions

Reduces customers' water budgets by varying amounts, depending on the severity of the shortage. Under normal conditions, customers who stay within budget are charged at the lowest rates in tiers 1 and 2. In stages 4 and 5, budgets are reduced, which would cause a customer going over budget to be charged at a tier 4 rate.

