

**PUBLIC HEARING
ON PROPOSED INCREASE IN FIXED MONTHLY
OPERATION AND MAINTENANCE CHARGES**

FEBRUARY 22, 2011

Procedure

- Board holds public hearing today to solicit public input
- At this point this is a proposal—the board has not taken action to implement
- May act on item later in open session or;
 - Hold second public hearing at a later date
 - Modify the proposal and then take action
- If implemented it could go into effect as early as April 1.

PROPOSAL

The Budget and Finance Committee has recommended an increase in the fixed monthly O & M meter charge. This charge is determined by the capacity of the meter. The proposed rates listed in the chart below are calculated to recover 50% of Rainbow's fixed operating cost.

Fixed costs are those costs RMWD has regardless of whether or not we sell any water.

Meter Size	Current Monthly Rate	Proposed Monthly Rate	\$ Change
5/8"	\$ 21.19	\$ 25.71	\$ 4.52
3/4"	\$ 26.48	\$ 32.14	\$ 5.66
1"	\$ 34.43	\$ 41.78	\$ 7.35
1½"	\$ 52.96	\$ 64.28	\$ 11.32
2"	\$ 92.69	\$ 112.48	\$ 19.79
3"	\$ 158.89	\$ 192.83	\$ 33.94
4"	\$ 264.81	\$ 321.39	\$ 56.58
6"	\$ 450.18	\$ 546.36	\$ 96.18

RECENT HISTORY

YEAR	5/8	3/4	1	1 1/2	2	3	4	6
2003	\$ 16.44	\$ 19.66	\$ 26.27	\$ 39.40	\$ 52.53	\$ 78.80	\$ 105.07	\$ 157.60
2004	\$ 16.44	\$ 19.66	\$ 26.27	\$ 39.40	\$ 52.53	\$ 78.80	\$ 105.07	\$ 157.60
2005	\$ 19.06	\$ 23.83	\$ 30.98	\$ 47.66	\$ 83.41	\$ 142.98	\$ 238.30	\$ 405.11
2006	\$ 19.06	\$ 23.83	\$ 30.98	\$ 47.66	\$ 83.41	\$ 142.98	\$ 238.30	\$ 405.11
2007	\$ 19.06	\$ 23.83	\$ 30.98	\$ 47.66	\$ 83.41	\$ 142.98	\$ 238.30	\$ 405.11
2008	\$ 19.06	\$ 23.83	\$ 30.98	\$ 47.66	\$ 83.41	\$ 142.98	\$ 238.30	\$ 405.11
2009	\$ 21.19	\$ 26.48	\$ 34.43	\$ 52.96	\$ 92.96	\$ 158.89	\$ 264.81	\$ 450.18
2010	\$ 21.19	\$ 26.48	\$ 34.43	\$ 52.96	\$ 92.96	\$ 158.89	\$ 264.84	\$ 450.18
2011	\$ 21.19	\$ 26.48	\$ 34.43	\$ 52.96	\$ 92.96	\$ 158.89	\$ 264.81	\$ 450.18
PROPOSED 2011	\$ 25.71	\$ 32.14	\$ 41.78	\$ 64.28	\$ 112.48	\$ 192.83	\$ 321.39	\$ 546.36
% Increase 2003 to Proposed	56%	63%	59%	63%	114%	145%	206%	247%

2010 water use by user group in Acre-feet

	IAWP	SAWR	Domestic
January	80.5	166.9	527.8
February	26.7	44.3	241.2
March	53.7	102.1	113.9
April	131.8	268.7	343.3
May	240.9	473	503.5
June	327.4	584.1	1025.6
July	352.6	577.2	1406.7
August	373.5	617.9	1322.2
September	368.3	613.2	1714
October	181	296.7	1524.7
November	159.5	219.2	681.1
December	110.5	171.6	693.1
Totals	2406.4	4134.9	10097.1
Percent of Sales	14%	25%	61%

Agricultural



HISTORIC RMWD WATER RATES

YEAR	MWD CHARGE	SDCWA CHARGE	RMWD CHARGE	TOTAL CHARGE DOMESTIC	TOTAL AG
1994	\$ 0.88	\$ 0.16	\$ 0.39	\$ 1.43	\$ 1.12
1995	\$ 0.95	\$ 0.16	\$ 0.38	\$ 1.49	\$ 1.18
1996	\$ 0.98	\$ 0.18	\$ 0.33	\$ 1.49	\$ 1.18
1997	\$ 0.99	\$ 0.18	\$ 0.32	\$ 1.49	\$ 1.18
1998	\$ 0.99	\$ 0.18	\$ 0.32	\$ 1.49	\$ 1.18
1999	\$ 0.99	\$ 0.20	\$ 0.30	\$ 1.49	\$ 1.18
2000	\$ 0.99	\$ 0.21	\$ 0.29	\$ 1.49	\$ 1.18
2001	\$ 0.99	\$ 0.21	\$ 0.29	\$ 1.49	\$ 1.18
2002	\$ 0.99	\$ 0.22	\$ 0.28	\$ 1.49	\$ 1.18
2003	\$ 0.94	\$ 0.13	\$ 0.33	\$ 1.40	\$ 1.14
2004	\$ 0.96	\$ 0.13	\$ 0.40	\$ 1.49	\$ 1.23
2005	\$ 1.02	\$ 0.17	\$ 0.40	\$ 1.59	\$ 1.29
2006	\$ 1.04	\$ 0.21	\$ 0.45	\$ 1.70	\$ 1.37
2006	\$ 1.04	\$ 0.21	\$ 0.48	\$ 1.73	\$ 1.40
2007	\$ 1.10	\$ 0.21	\$ 0.51	\$ 1.82	\$ 1.49
2008	\$ 1.17	\$ 0.24	\$ 0.51	\$ 1.92	\$ 1.56
2009	\$ 1.33	\$ 0.27	\$ 0.56	\$ 2.16	\$ 1.78
2009	\$ 1.61	\$ 0.26	\$ 0.56	\$ 2.43	\$ 2.06
2010	\$ 1.61	\$ 0.26	\$ 0.56	\$ 2.43	\$ 2.12
2011	\$ 1.71	\$ 0.33	\$ 0.56	\$ 2.60	\$ 2.31
INCREASE 1994 TO 2011	94.3%	106.3%	43.6%	81.8%	107.2%

PROJECTED WATER RATES

2012	\$ 1.83	\$ 0.35	\$ 0.56	\$ 2.74	\$ 2.50
2013	\$ 1.97	\$ 0.38	\$ 0.56	\$ 2.91	NO AG RATE
2014	\$ 2.11	\$ 0.41	\$ 0.56	\$ 3.08	
2015	\$ 2.27	\$ 0.44	\$ 0.56	\$ 3.27	
2016	\$ 2.44	\$ 0.47	\$ 0.56	\$ 3.48	

O&M CHARGES

	5/8	3/4	1	1 1/2	2	3	4	6
% Increase 2003 to Proposed	56%	63%	59%	63%	114%	145%	206%	247%
	PREDOMINANTLY RESIDENTIAL			PREDOMINANTLY AG/COMMERCIAL				

WATER RATES 1994 TO PRESENT

	MWD CHARGE	SDCWA CHARGE	RMWD CHARGE	TOTAL CHARGE DOMESTIC	TOTAL AG
INCREASE 1994 TO 2011	94.3%	106.3%	43.6%	81.8%	107.2%

WHAT HAS RMWD DONE?

- REDUCED OVER-ALL OPERATING EXPENSES BY ABOUT \$1.3 MILLION OVER LAST TWO YEARS
- REDUCED STAFFING LEVELS
- RENEGOTIATED LABOR CONTRACTS
- DEFERRED PURCHASE OF CAPITAL EQUIPMENT
- DEFERRED NUMEROUS CAPITAL PROJECTS
- O&M CHARGES LAST INCREASED IN 2009