

## **OUTREACH TO CUSTOMERS ON SDCWA RATE INCREASE**

The Rainbow Municipal Water District strives to provide our customers reliable, high quality water in a fiscally sustainable manner. Since there are no viable local supplies in our area, we are 100% dependent on imported water to serve our customers and have been obtaining this water through the San Diego County Water Authority (SDCWA) <https://www.sdcwa.org/> since 1954.

Over the last 20 years, the cost of imported water has risen dramatically, so we evaluated other options to obtain water to serve you.

As many of you are aware, the District has filed an application with the San Diego Local Agency Formation Commission (LAFCO) <https://www.sdlafco.org/> to change our wholesale water supplier to the Eastern Municipal Water District (EMWD) <https://www.emwd.org/>.

EMWD can deliver us the same water, through the same pipelines, with the same quality and reliability as SDCWA, but at a significantly lower cost.

This action was not taken lightly, but the impact of the high cost of water on our community has been dramatic. We are all familiar with dead groves, lost to the high cost of water.



The cost of imported water represents nearly 70% of your water bill each month. With almost 350 miles of now very old, high pressure pipelines, the rest of your bill goes to the work our staff does to operate and maintain these systems and keep the water flowing to your homes, businesses, and groves.

Last year, as the Rainbow Board prepared to authorize the filing of the application to LAFCO we were presented with a choice: should we pass along SDCWA's most recent rate hike that took effect on January 1, 2020, or should we hold the line on rates and offset that increase through trying to control costs on our end and making ends meet? The Board decided to hold the line on rates.

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"EMWD CAN DELIVER US THE SAME WATER, THROUGH THE SAME PIPELINES, WITH THE SAME QUALITY AND RELIABILITY AS SDCWA, BUT AT A SIGNIFICANTLY LOWER COST."

SDCWA's rate increase for just calendar year 2020 will amount to nearly \$1 Million in extra costs to the District. Had the Board decided to pass that along to our ~8200 customers, that amounts to about \$120 per year per customer - \$10 per month on your bill. Now SDCWA has adopted another rate hike that will take effect in January 2021. This hike is expected to increase our costs by \$662,583 for 2021.

While we had hoped to bring the detachment matter to you – the ratepayers – for a decision in the fall 2020 election, currently that does not seem possible. For that reason, it is likely we will have no choice but to pass through the SDCWA rate increases next year. We simply cannot absorb these huge increases and continue to provide the local service you have come to expect.

These increases from SDCWA will likely result in bill increases of about \$17 per month on average. Had we been buying our water from EMWD this rate increase would not be needed at all. In fact, depending on what sort of conditions LAFCO places on our detachment, if we succeed, we will likely be able to both fund the much-needed replacement of failing pipelines AND provide rate relief.

If we are unsuccessful, the sad fact is the old pipelines will still need replacement. We forecast a need of \$3 to \$4 Million per year to do a proper replacement program, but we pay SDCWA about **\$6 Million per year** above and beyond what EMWD charges for the same water, from the same treatment plant using the same pipelines.

We will be holding a series of public meetings over the next few months to discuss the impact of higher SDCWA water costs and how to move forward. We encourage you to join in the conversation! See our website at [www.rainbowmwd.com](http://www.rainbowmwd.com) for meeting dates and details.



## **LATE FEES REINSTATED IN AUGUST**

The moratorium for applying late fees has been lifted. Please contact our customer service staff and we can easily sign you up for a payment plan to get you back on track.