



WESTERN MUNICIPAL WATER DISTRICT

2021 Rate Adjustment FAQs

RATE ADJUSTMENT

1. What is a retail water and sewer rate adjustment?

A: Periodically, Western conducts a cost-of-service study to inform us of any rate adjustments that might be needed to keep pace with the increasing costs of imported water, energy, infrastructure maintenance, environmental and regulatory compliance, and the necessary skilled labor to manage our systems. The cost of purchasing water, as well as operating and maintaining the water and wastewater systems continues to rise, and while Western attempts to minimize rate increases, the proposed adjustment is necessary to help cover expenditures associated with increasing operating and energy costs.

2. Why is a rate increase needed at this time? With a pandemic going on and so many facing economic hardship, how can an increase be necessary?

A: It is important to remember that, even during the global pandemic, Western must continue to keep safe, high-quality water flowing to our customers. The cost of purchasing water, as well as costs meet water quality standards, and operating and maintaining the water and wastewater systems continue to increase throughout the pandemic. In the absence of the proposed moderate increase in 2021 to cover rising costs, the increases in 2022 and perhaps later years will need to be larger than what is currently proposed.

With customer in mind, we are continuing to suspend water shutoffs due to non-payment and have gone one step further for our residential customers by also suspending late payment penalty fees while connecting customers to payment assistance programs, if eligible.

If you are experiencing financial hardship as a result of the COVID-19 (Coronavirus) pandemic, we have some new programs available to our customers. Please contact our Customer Service team to discuss payment assistance. Western's Customer Service team can be reached Monday through Friday, 8 a.m. to 5 p.m., at 951.571.7104 or billing@wmwd.com.

3. How will the 2021 rate increase affect our community's ability to pay for water?

A: Western understands it's a challenging time for many people right now, which is why Western is doing everything we can to operate as efficiently as possible to keep rate increases as low as possible from year-to-year. For the average in-budget customer, the rate increase will only affect residential bills by a few dollars each month, but Western is here to assist our customers any way that we can during this process. Western also offers rebate programs, customer support programs, water use efficiency evaluations, and landscaping assistance. For more information, visit wmwd.com/WaterSavings. To learn about payment assistance programs, visit wmwd.com/PaymentAssistance.



4. How will the proposed rates encourage water use efficiency and sustainability?

A: Western provides each customer with a water budget, billed at monthly tiered rates. Each customer's monthly water budget supports efficient indoor and outdoor water use. When you stay within your personalized water budget and take action to adjust irrigation seasonally, not only are you being efficient with your usage but you also benefit by receiving water that costs less to deliver.

By using water efficiently and staying within your water budget, you can save money by making sure you're charged the lowest cost tiers.

When you exceed the water budget, Western must purchase more costly imported water to supplement use, which is reflected in Tiers 3 and above on a your water bill.

For more information on the value of Western's water and to learn more about your water budget, visit wmwd.com/ValueofWater or wmwd.com/WaterBudget.

5. Once the Board of Directors agrees on moving forward with a water rate adjustment, how can customers learn more and provide comments?

A: Once the Board of Directors has provided clear direction to staff to conduct a rate setting public hearing (expected to take place in early June 2021), customers can learn about the proposed rate increase by visiting, wmwd.com/2021ProposedRates.

This Western web page will be updated regularly. Customers can also subscribe for email alerts and stay connected through Western's various social media platforms such as [Facebook](#), [Instagram](#), [Twitter](#), and [YouTube](#). Customers are encouraged to contact Customer Service and Strategic Communications staff directly at 951.571.7119 or email outreach@wmwd.com.

6. Why is Western holding Board Workshops and Customer Information Sessions?

A: Western is offering a series of three public workshops in February and March 2021 to provide the Board of Directors, customers and stakeholders the opportunity to hear staff proposals and discuss recommendations related to a recent cost of service study for water and sewer services.

The workshops are the first step of many to make sure the Board and customers have an opportunity to be adequately informed of the proposed process and rate adjustments. In addition to the workshops, Western will host a series of customer informational sessions in April. The Board of Directors and customers can also ask questions during regularly scheduled Board and Committee meetings. Should the Board elect to move forward, a formal public hearing to make a decision will be scheduled for early June.

To submit a comment or to join us virtually for this series of special board meetings you may visit, wmwd.com/555/Public-Meetings. For more information and a list of upcoming rate proposal participation opportunities, visit wmwd.com/2021ProposedRates.



7. When will this rate proposal be reviewed and voted on by the Board of Directors as a whole?

A: The water and sewer rate proposal is discussed and reviewed during public workshops taking place during regularly scheduled Board meetings on:

- i. Workshop No. 1 – Monday, Feb. 22, 2021 at 1:30 p.m.
- ii. Workshop No. 2 – Thursday, March 11, 2021 at 1 p.m.
- iii. Workshop No. 3 – Monday, March 22, 2021 at 6 p.m.

Western’s Board of Directors will also review the final proposal during a regular Board meeting tentatively planned for Wednesday, April 7. Should the Board elect to move forward, a formal public hearing to consider adoption of the proposed rates will be scheduled for early June; customers will receive mailed notice 45 days in advance of the hearing. We encourage customers and stakeholders to attend. Agenda and meeting information will be posted to Western’s website, wmwd.com/2021ProposedRates.

8. Will the information presented at the public hearing be available prior to the meeting?

A: Yes. All information and resources, when available, will be posted on Western’s website at wmwd.com/2021ProposedRates.

9. How long does a customer have to speak at a Board meeting?

A: Our standard policy is each speaker has 3 minutes. Note: 3 minutes is the standard for most agencies in Riverside County, though depending on the issue and the number of anticipated speakers, this can change. If you have a comment that may extend beyond the 3 minutes, you are encouraged to submit your input in writing by 4:30 p.m. the day before the meeting to boardsecretary@wmwd.com or wmwd.com/PublicComment.

10. Are the proposed water and sewer rates based on an overall plan recommended by the Board of Directors? Is there another rate plan being considered?

A: The proposed rates for the next four years are based on the presentations and discussions that occur during public workshops. There is no other rate plan currently being considered. All information, meeting dates and resources, when available, will be posted on Western’s website at wmwd.com/2021ProposedRates.

11. How do I get information and ongoing updates about the water rate increases?

A: In addition to the state-mandated Prop 218 customer mailing, Western will be holding three workshops, regular Board Meetings, customer information sessions and an official public hearing. We encourage the public to attend to learn more about the cost-of-service study and the rate proposal.

When available, all meeting materials and links to attend via Zoom will be posted at wmwd.com/555/Public-Meetings and wmwd.com/2021ProposedRates.



- i. Workshop No. 1 – Monday, Feb. 22, 2021 at 1:30 p.m.
- ii. Workshop No. 2 – Thursday, March 11, 2021 at 1 p.m.
- iii. Workshop No. 3 – Monday, March 22, 2021 at 6 p.m.

Western's Board of Directors will also review the final proposal during a regular Board meeting tentatively planned for Wednesday, April 7. Should the Board elect to move forward, a formal public hearing to make a decision will be scheduled for early June.

Western will also hold neighborhood town halls and participating in local community group meetings.

- iv. Customer Information Session 1 (Riverside): Thursday, April 22 at 9 a.m.
- v. Customer Information Session 1 (Riverside): Thursday, April 22 at 6 p.m.
- vi. Customer Information Session 1 (Murrieta): Wednesday, April 28 at 6 p.m.

For more information, visit wmwd.com/2021ProposedRates. Due to gathering restrictions related to the COVID-19 (Coronavirus) pandemic, events will be offered virtually.

12. Did Western receive any protest letters during the 2017 rate adjustment process?

A: Yes. Western received approximately 850 protest letters (3.4 percent of our retail customer base). We also heard from 25 speakers at the public rate hearing in 2017.

13. Has a rate proposal ever been rejected?

A: No. As a public agency, Western does not make a profit and we can only charge customers the cost to provide water. This is why Western's history of rate increase proposals continue to be approved by the elected Board of Directors. By making sure rates keep pace with the costs of service, we are able to provide reliable, safe, quality on-demand service 24 hours per day, seven days per week while making sure every customer only pays for the service you use.

14. Is Western subject to public notice requirements?

A: Yes, we are subject to public notice posting requirements for regular meetings. All public meeting materials are posted 72 hours in advance. In addition to in-person comments, public comments can be submitted in writing by 4:30 p.m. the day before the meeting by emailing boardsecretary@wmwd.com.

Comments made after the meeting or posted to social media will not be part of the official meeting record. You can also view and download the meeting agenda and presentation materials and get more information at wmwd.com/555/Public-Meetings. Customers can also contact outreach@wmwd.com with questions.

To move forward with new rates, Western must meet additional state-mandated public notice requirements under Proposition 218. For more information about these requirements, see additional frequently asked questions below.



PROPOSITION 218 PROCESS

1. What is Proposition 218?

A: Proposition 218 (Prop 218), or the “Right to Vote on Taxes Act,” was approved by California state voters in November 1996. The Act amended the California constitution to require local governments to follow certain procedures before raising property-related fees.

2. What is the role of Prop 218 in the rate-setting process? Does it require voter approval?

A: Under Prop 218, Western is required to hold a public hearing prior to any increase in water and sewer rates. Western will mail notices of the proposed water rate adjustment to all parcel owners in their service area 45 days in advance of the public hearing.

Western’s Board of Directors are expected to officially set the public hearing during a regular Board Meeting on Wednesday, April 7, 2021 at 9:30 a.m. A formal public hearing is tentatively planned for the evening of Wednesday, June 2, 2021 where Western’s Board of Directors will officially accept letters of support and opposition, and vote on the proposed rate adjustment.

3. How can protests about the proposed water rates under Prop 218 happen?

A: To protest (oppose) the proposed rates, customers can write a letter to the Western Board of Directors and/or attend the Public Hearing. The Public Hearing is tentatively scheduled to take place the evening of Wednesday, June 2, 2021, pending an official decision by the Board of Directors to set the meeting.

Written protests can be mailed to Western’s Administrative Offices located at 14205 Meridian Parkway in Riverside, CA 92518. Letters will also be accepted via email to boardsecretary@wmwd.com or in-person at our Administrative Offices outdoor drop-box. Only one protest per address/parcel will be accepted. Protests must be received before the end of the Public Hearing.

Written protests must include:

- Printed name of protestor
- Clear indication that the document is a protest
- Address of the residence or business address receiving service, or the parcel number (APN) within the Western service area
- Signature of protestor (if mailed or dropped off) or include an image of the protestor’s signature (if emailed)

CUSTOMER BILL IMPACT AND WATER BUDGET—RATE ADJUSTMENT

1. What opportunities will customers have to address the Board of Directors about the rate proposal?

A: Western is committed to keeping customers consistently and accurately informed throughout the rate proposal and rate setting process. We are planning a variety of opportunities for impacted customers to



get information, understand the proposal, and have your questions answered.

All meeting materials and links to attend via zoom, will be posted at [wmwd.com/BoardMeeting](https://www.wmwd.com/BoardMeeting) and [wmwd.com/2021ProposedRates](https://www.wmwd.com/2021ProposedRates) when available.

- i. Workshop No. 1 – Monday, Feb. 22, 2021 at 1:30 p.m.
- ii. Workshop No. 2 – Thursday, March 11, 2021 at 1 p.m.
- iii. Workshop No. 3 – (Proposed) Monday, March 22, 2021 at 6 p.m.
- iv. Regular Board Meeting to set a public hearing—Wednesday, April 7 at 9:30 a.m.
- v. Public hearing to consider new rates—Wednesday, June 2 (evening, pending Board direction)

In addition to Board workshops, there will be a series of customer information sessions held on Thursday, April 22 and Wednesday, April 28 where you can learn about the proposal, provide comments and talk with staff. Customers can also stay connected by signing up for email alerts at [wmwd.com/subscribe](https://www.wmwd.com/subscribe) and through Western’s various social media platforms.

2. How much will my monthly bill increase?

A: An overall median residential monthly rate increase of 2.1 to 3.5 percent is being proposed and will be recommended to take effect beginning July 1, 2021, with modest increases thereafter for an additional three years.

If approved, residential, commercial businesses, agricultural, landscape, commercial customers with private fire service, and those who receive sewer service from Western will be affected by the rate adjustment.

3. When will a customer see their bill change?

A: Pending adoption of the new water and sewer rates, customers can expect to see changes to their billing statement beginning with the first bill on or after July 1, 2021, and in July of each subsequent year.

4. Why do I see my bill go way up during the fall and winter months?

A: Understanding how your water budget is calculated and how Western bills for water using tiered rates that promote water use efficiency is the best place to start. Visit [wmwd.com/ReadingYourBill](https://www.wmwd.com/ReadingYourBill) to learn how your water budget is calculated. All budgets for outdoor water use change during the cooler months since all plants need less water as the days get shorter and temperatures drop. With simple adjustments of your outdoor watering, you can stay within your water budget and save money. Staying within your personalized water budget will ensure you pay the lowest cost available for Western's water services.

For more assistance with your bill, reach out to our Customer Service team during normal business hours, at 951.571.7104 or via email to billing@wmwd.com. For more information about your water budget, visit [wmwd.com/WaterBudget](https://www.wmwd.com/WaterBudget).



5. If I use water efficiently, will my bill decrease?

A: Taking simple steps to use water efficiently can effectively lower your water bill. More importantly, with more than 60 percent of water being used outdoors, taking action to adjust outdoor water use during cooler months, when plants need less water to stay healthy, will be necessary to stay within your water budget and avoid major variances in your bill.

Checking for and preventing leaks is another way to save money. You can find more information to help our customers at wmwd.com/WaterBudget. To learn about Western's programs that can help you use water more efficiently and save money, visit wmwd.com/WaterSavings.

6. How does Western's water budgets account for unseasonably warm weather that impacts our water bill?

A: Outdoor water budgets for Western customers (residential and commercial irrigation) are not based on historical weather. In fact, your water budget is adjusted every day. This means that if a winter day is unseasonably warm, your water budget expands to accommodate the amount you need to efficiently keep your landscapes healthy.

What customers should understand is that during major seasonal changes, especially fall and winter, plants go into dormancy cycles and your landscape needs less water, so your water budgets are smaller. Even during unseasonably warm days, plants need less water to thrive during these fall and winter months. Take action to adjust outdoor water use during cooler months when plants are dormant to stay within your water budget and avoid major variances in your bill.

7. Does Western offer any discounts or assistance programs?

A: Not only does Western offer bill payment assistance and repayment plans, but we also offer several water use efficiency programs to help you use water as efficiently as possible, stay within your water budget and save money. There are opportunities for indoor and outdoor rebates as well as our turf replacement program. For more information about water use efficiency programs, visit wmwd.com/WaterSavings.

COST MANAGEMENT – KEEP RATES AS LOW AS POSSIBLE

1. Why is my bill amount fluctuating?

A: We encourage you to reach out to our Customer Service team during normal business hours, Monday through Friday between 8 a.m. and 5 p.m., at 951.571.7104 or via email to billing@wmwd.com. They will be happy to provide a billing analysis to review why you have seen a fluctuation in your billing statement and if there is anything we can do to help. In addition to changes in water use, your bill could fluctuate if the number of days in the billing period are different. Western sends water bills 12 times per year and some billing periods are longer than others. But not to worry, your water budget adjusts with the number of billing days.

You can also head over to wmwd.com/ReadingYourBill to learn more about how your water budget is calculated and how to read and understand the charges on your bill.



2. Are any other water agencies increasing rates during a global pandemic?

A: Yes. Costs outside of Western’s control are increasing and we must keep pace in order to continue to provide customers the highest quality water and sewer services. In addition to Western, the following water providers are planning to propose or have already had their rate increases approved for 2021:

- i. City of Corona, Department of Water and Power
- ii. Eastern Municipal Water District
- iii. Elsinore Valley Municipal Water District
- iv. Rancho California Water District
- v. Riverside Public Utilities
- vi. Temescal Valley Water District

3. Why is the Orangecrest neighborhood in Riverside more expensive than other Western customers?

A: The price of water in each budget tier are the same in all of Western’s Riverside service area neighborhoods. In the Riverside service area, all drinking water customers are subject to the same rate schedules. Everyone pays the same rates for water and the water reliability charges. All customers are also subject to the same rate schedule for the System Charge and MWD Readiness-to-Serve charge, both of which are based on the size of the meter serving the property.

Customers will see variation in our pumping charge, which is based on regional “zones.” These charges reflect the amount of energy needed to bring the water into the zone. The higher and further a zone is from the water source, the higher the pumping charge rate.

4. Why are Eastern Municipal Water District’s/Riverside Public Utilities’ water rates so much lower than Western’s water rates?

A: Unlike Eastern Municipal Water District (EMWD) and Riverside Public Utilities (RPU) customers, residents living within the Western service area live in a unique location that has very limited groundwater under our feet for the use of our customers.

RPU is able to secure 100 percent of their water from local groundwater supplies, the most low-cost water supply available. While EMWD also has to import some of their water, they do have access to groundwater supplies, have more recycled water capacity and have a larger customer base to share in the costs of service. Since RPU and EMWD have direct access to local groundwater, their costs have to support pumping the water out of the ground and cleaning it to meet drinking water standards.

Western’s access to local supplies requires that we pay neighboring agencies for the water itself, plus pumping, treatment and transportation costs to deliver it to our service area. This amounts to about \$600 per acre foot to transport the water from the well to your region, making our “local supply” up to five times more expensive than RPU’s and EMWD’s.



Since Western's Riverside customers sit atop a large hill predominantly made of rock, Western must import nearly 60 percent of our water from more than 700 miles away. This is a long, energy-intensive and expensive trip. The cost of energy, systems and labor that is needed to pump the water from the Sierra Nevada Mountains into our region and uphill into customer homes and businesses is a major factor in Western's cost of service, which results in a higher rate.

Western has spent the last decade moving from 100 percent dependence on imported water to only about 60 percent through a commitment to improving local regional infrastructure and partnerships that increase local water supplies and decrease our reliance on more costly imported water.

For more information, check out this video that provides guidance on [the value of water](#) in our service area.

5. What is Western doing to control costs?

A: Improving technology: Western is making sure we are using water efficiently and avoiding any water loss. When water is used inefficiently, it leads to rising costs. To combat this, we've initiated a Smart Meter Replacement Program where Western is replacing all meters in our retail service area. Meters that under register an individual home or business end up costing all customers more money.

Enhancing water supply: In 2020, Western completed construction on our Victoria Recharge Basin. The basin replenishes groundwater with free stormwater, to increase local water supplies in the future and reduce costs. This helps us avoid a reliance on imported water, thereby minimizing rate increases. Furthermore, our Arlington and Chino Desalters work in conjunction with our recharge basin to enhance the region's water supply while providing locally produced and high-quality drinking water.

In 2019, we completed the La Sierra Pipeline. In times of emergency, La Sierra Pipeline provides Western access to more than 6,300 acre-feet annually to offset potential supply interruptions from northern California.

Improving access to local groundwater: Western purchases local groundwater from Riverside Public Utilities (RPU) and has entered agreements with Eastern Municipal and Elsinore Valley Municipal water districts that will increase our access to future local supply sources.

Controlling labor costs: Employees are paying for a larger share of their retirement costs and Western will be maintaining our current full-time workforce headcount without seeking approval to add any newly budgeted positions. Additionally, Western negotiated lower premiums by 33 percent on Western-provided benefits.

Operational efficiencies: In one year, Western implemented 14 different operational efficiency projects that have created an annual savings or more than \$1.2 million, which is essential in helping keep rates and future rate increases as low as possible for customers.

Securing grant funding: Finally, Western has been strategically enhancing its grant procurement efforts—seeking grant dollars to support critical projects which directly lowers the financial impact to our customers. In the past five years, Western has been awarded more than \$27 million to support major system improvements to increase local service reliability and technology enhancements that give customers more control of their water use.



6. Did the last rate increase update or maintain any new and existing infrastructure?

A: Yes. Funds received from rate increases are used to maintain existing infrastructure. Western also places money each year into an asset replacement reserve to save for the future replacement of aging infrastructure.

7. How does Western spend the money they collect from customers?

A: Western has service costs that include:

Purchased imported water: Purchased imported water makes up between 27 and 46 percent of Western’s budget as more than 60 percent of your water comes from more than 700 miles away and is purchased from the Metropolitan Water District of Southern California (MWD).

Purchased energy: While purchased energy accounts for about 3 percent of Western’s budget, energy utility companies are significantly increasing this necessary cost to have the energy it takes to transport water to your home or business.

Other costs: The remaining costs are for operations, maintenance, a highly skilled workforce to operate and maintain Western’s existing infrastructure and increasing regulatory compliance requirements that ensure you have safe, reliably drinking water and sewer services.

8. How is Western prioritizing infrastructure investments (e.g., the pumps, pipes and tanks that help get water to and from my home)? Will all divisions see improvements?

A: Western staff works closely with the elected Board of Directors during annual workshops held every other year to prioritize future capital improvement projects. All divisions within Western will see improvements, as needed. To learn more about this plan and active projects, visit wmwd.com/CIFP.

9. Why can’t Western’s cash reserves pay for increased costs to provide service? (e.g., imported water cost, energy, etc.)

A: As a municipal utility, Western can only charge the cost to provide service. Our cash reserves are designated for emergency expenditures, future asset replacement, growth-related projects, and system improvements. Western must comply with regulations that require we be prepared for unexpected costs and emergencies. This means Western’s cash reserves should only be used for one-time expenditures, not for on-going subsidy of costs to provide service to your home or business.

10. Does Western have a policy about maintaining sufficient reserves to stay ahead of aging infrastructure?

A: Yes, the Board has previously adopted a [Reserve Policy](#) that clearly directs staff and sets minimum and maximum reserve balances, what the reserves are to be used for, what their funding source is, and what triggers their use.



11. What are the average salaries for Western staff?

A: In order to attract and retain the highly skilled workforce it takes to operate and maintain your complex water and sewer system, Western offers market competitive compensation packages. Western's Human Resources department periodically conducts salary surveys to determine if adjustments are needed. Our publicly-elected Board of Directors reviews and approves any recommended salary schedules and requests for additional full-time employees.

Each year, staff receive a cost-of-living adjustment (COLA) and may be eligible for discretionary merit-based pay incentives. The COLA is based on the Consumer Price Index (CPI) percentage for the region. The COLA percentages applied on July 1, 2018, 2019 and 2020 were 3.6, 3.0 and 3.0 percent, respectively.

As part of our ongoing efforts to control long-term labor costs, employees are paying for a larger share of their retirement costs. Western does not anticipate seeking approval to add any newly budgeted positions. Additionally, Western negotiated lower premiums by 33 percent on Western's provided benefits.

12. Does Western offer discounted rates to their employees?

A: No. If any Western staff lives within our service area(s), they pay the same rates as any other customer.

COVID-19 PUBLIC MEETING DISCLAIMER

Due to COVID-19 safety precautions, all meetings will be held virtually via Zoom. For anyone unable to attend a virtual Board meeting, written comments must be submitted by 4:30 p.m. the day before the meeting by emailing boardsecretary@wmwd.com. Following the meeting, a recording of the workshop will be posted to Western's website.

For more information about the proposed rates, upcoming meetings or ways to stay informed and offer input, visit wmwd.com/2021ProposedRates.