



BEAUMONT-CHERRY VALLEY WATER DISTRICT

Frequently Asked Questions

Proposed Changes to Water Rates and Service Charges

WHY IS BEAUMONT-CHERRY VALLEY WATER DISTRICT (BCVWD) PROPOSING NEW RATES AND CHARGES FOR WATER SERVICES?

BCVWD's most recent 5-year rate increase plan was implemented in 2010, making the District due for another rate and fee analysis. A new analysis was conducted by an independent financial expert over the last seven months. The BCVWD Water Financial Plan and Utility Rate Study revealed the need for new rates and charges based on the following factors:



Growing operation and maintenance costs



26% increase in the cost of imported water



Fluctuating electricity costs

BCVWD is proposing a five-year rate adjustment sufficient to pay for the increased cost of water, water supply and delivery systems, and to maintain appropriate debt service coverage levels necessary for anticipated bonds and credit standing.

BCVWD is dedicated to providing safe and reliable water services in a cost-effective manner, while protecting water resources and the public's health. The proposed changes would ensure sufficient funds for the ongoing operation, repairs and maintenance of the District's facilities, and adequate long-term water supply for the region.

WHAT WOULD CHANGE?

The proposed rate changes would adjust the fixed bi-monthly service charge, volumetric commodity rates, fire service charge and drought rates. In addition, the volumetric commodity rates would change from the current two-tier system to a three-tier system.

Information detailing the changes can be found in the Notice of Public Hearing or the BCVWD Water Financial Plan and Utility Rate Study. Both are available online at www.bcvwd.org.

HOW WOULD THE NEW RATES AND CHARGES IMPACT MY BILL?

If approved, a water bill for a typical single-family residence with a 5/8-inch meter using 34 units of water (25,432 gallons) during a bi-monthly billing period will increase by \$5.57. A customer with a 1-inch meter using the same amount of water would see a bi-monthly increase of \$4.21.

For an estimate of how this would impact you specifically, visit the BCVWD bill estimator tool online at www.bcvwd.org. Customers can also call 951-845-9581 or email info@bcvwd.org with questions.

WHEN WOULD THE NEW RATES START? WILL RATES INCREASE EVERY YEAR?

If adopted, the initial rate increase would **take effect March 1, 2020**. After that, rates would increase on January 1 every year for a total period of five years (2020 to 2024).

HOW DO I KNOW THE PROPOSED RATES ARE FAIR?

BCVWD hired an independent financial expert to conduct a comprehensive study to evaluate current rate structures and related cost of service. The study analyzed pricing for water, service costs, potential rate structures and multi-year financial plans. The BCVWD Water Financial Plan and Utility Rate Study is available online at www.bcvwd.org.

HOW ARE WATER RATES CALCULATED?

Your water bill is calculated based on a rate structure that includes a fixed bi-monthly service charge based on the size of the customer's meter and a volumetric commodity charge based on the amount of water actually used by the customer. For single family customers, there are tiers of use within the volumetric charge and the cost of water increases based on how much you consume.

Your bill also contains pass-through charges for the cost imported water and the cost of energy to pump water.



WHAT IS A PASS-THROUGH CHARGE?

Pass-through charges are charges that reflect the true cost of imported water and the energy it takes to provide water to your home or business. Your bill contains two pass-through charges:

- **SWP (State Water Project) Importation Charge:** *The cost to purchase imported water from the State Water Project via the San Geronio Pass Water Agency (SGPWA)*
- **SCE (Southern California Edison) Power Charge:** *The cost of energy to provide water service to your home (pumping)*

Pass-through charges associated with the cost of imported water have increased.

HOW IS THE MONEY I PAY ON MY BILL USED?

The bi-monthly service charge on your bill is used to pay for the costs of service associated with meter maintenance and reading, as well as customer service. The volumetric charge is used to pay for water supply, system and operating costs, and system improvements and maintenance. The pass-through charges reflect the true cost of imported water and the energy it takes to provide water to your home or business.

WHY DO WE IMPORT WATER?

As part of BCVWD's work to ensure an adequate supply of safe, reliable water to your home or business, we acquire water from a variety of sources. BCVWD pumps thousands of acre-feet of water from the Beaumont Basin to meet the needs of our customers. To practice appropriate groundwater stewardship, BCVWD purchases imported water from a wholesale water provider, the San Geronio Pass Water Agency (SGPWA), and replaces and replenishes it to the basin. As a State Water Contractor, SGPWA supplies water from the State Water Project, which is more than 400 miles away in northern California. Imported water allows us to meet customer demand now, as well as ensure we have an adequate supply for times of drought, emergency situations and future generations.

IS THIS A WAY FOR BCVWD TO INCREASE PROFITS?

According to state law, BCVWD cannot charge more than the actual cost of providing water service. As a not-for-profit government agency, BCVWD is not legally allowed to make a profit.

HOW CAN I LOWER MY WATER BILL?

Taking simple steps to save water daily can effectively lower your water bill. Checking for and preventing leaks is another way to save money. Customers can find conservation and leak-checking tips in the BCVWD Conservation Pocket Guide, as well as a detailed list of ideas on how to save water, online at www.bcvwd.org.

WHERE CAN I GET MORE INFORMATION ABOUT THE PROPOSED RATE CHANGES?

An informational Town Hall Meeting will take place at 6 p.m. on Thursday, February 20, 2020, at the BCVWD District Office, located at 560 Magnolia Avenue Beaumont, CA, 92223.

More information about the proposed rate changes, including the full rate study and a bill estimator tool, is available on the BCVWD website at www.bcvwd.org. Staff is also available to answer questions. You can call **951-845-9581** or email info@bcvwd.org.

HOW DO I PROTEST THE PROPOSED RATE CHANGES?

To protest the proposed increase, you can write a letter to the BCVWD Board of Directors and/or attend the Public Hearing. The Public Hearing will take place at 6 p.m. on Thursday, February 27, 2020, at the BCVWD District Office, located at 560 Magnolia Avenue Beaumont, CA, 92223.

Written protests can be mailed or delivered in person to the BCVWD District Office, 560 Magnolia Avenue Beaumont, CA, 92223. Emailed or faxed protests will NOT be accepted. **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*
- *Residence or business address or parcel number (APN) within the BCVWD service area*
- *Signature of protestor*