

FAQs on the New Rates and Adjustments

1. When were the revenue adjustments and rate increases adopted/approved?

The SDWD Board of Directors voted to approve the rate increases and adjustments on April 17, 2024.

2. What is the difference between a revenue adjustment and a rate increase?

A revenue adjustment refers to the broader range of strategies to achieve revenue levels that will allow the enterprise to continue operating. Rate increases, which ultimately impact bills, specifically refer to raising the price per unit of service or product.

3. Why are the rate adjustments necessary?

- with the California Department of Safety of Dams (DSOD) restriction on Lake Hodges, the District's cheapest water source will be limited for the foreseeable future which results in a significant increase in wholesale imported water supply costs. Additionally, the SDCWA the county's water wholesaler just approved a 14% increase to its rates and charges for Calendar Year 2025.

-to pay for inflationary price increases.

-to replace aging infrastructure by funding the replacement of assets.

As a not-for-profit agency, the District remains committed to providing a safe, reliable and sustainable water supply at lowest possible cost to its customers.

4. What rates were approved by the Board?

Rates approved were for Fiscal Years 2025, 2026 and 2027. Below are the FY2025 rates effective with all bills issued after July 1, 2024:

Single Family Residential Commodity Rates				
Tier	Block	FY 24	FY25	% Change
I	0-12	\$3.68	5.00	35.87%
II	13-20	\$6.61	7.25	9.68%
III	21-40	\$7.47	7.50	0.40%
IV	41+	\$8.87	7.84	-11.61%

The rate for Tier I is changing the most due to the loss of Lake Hodges water, hence a user whose bill is mostly Tier I water will notice the highest bill impact.

Most Common Meter Sizes and Charges (Bi-monthly)				
3/4"		\$52.78	57.93	9.76%
1"		\$78.06	86.44	10.74%
1.5"		\$140.72	157.10	11.64%

These charges are based on the size of the meter serving the property and are calculated to recover a portion of the District's fixed costs such as meter reading & maintenance, billing, and the costs to maintain the system.

5. How are the rates calculated?

Rates are calculated based on industry standard cost of service principles which determines a direct connection between the cost of providing water service and the end charge applied to the user. Actual water rates and service charges may vary between classes of users depending upon the specific demands placed on the system by that user class. The charges for FY 2025 are set using the cost-of-service analysis and do **not** equate to increasing the current rates by the District's revenue adjustment. Charges for FY 2026 and FY 2027 can be calculated by increasing FY 2025 rates by the proposed revenue adjustments.

6. When were customers notified of the rate increase?

In compliance with Prop 218 requirements, customers and homeowners were notified of the proposed new rates in March 2024, and invited to participate in a public hearing that was held on April 17, 2024. This allowed for more than the required 45 days prior to the public hearing for interested parties to protest the proposed rates in writing.

7. What is the impact to the average Single-Family Residence?

The average Single Family Residential bill assumes a 3/4" meter using 22 units or HCF (Hundred Cubic Feet) bi-monthly.

1 unit =748 gallons therefore 22 units =16,456 gallons.

Single Family Residential		Percent of Customers: 78%			
Most Common Meter Size	Use (HCF)	Current Bi-Monthly Bill	Proposed Bi-Monthly Bill	Difference (\$)	Difference (%)
3/4"	10	\$98.40	\$116.75	\$18.35	18.6%
	16	\$132.20	\$155.75	\$23.55	17.8%
	22	\$173.58	\$199.75	\$26.17	15.1%
	28	\$218.40	\$244.75	\$26.35	12.1%
	34	\$263.22	\$289.75	\$26.53	10.1%