

News from EMWD

Community Involvement Department 951/928-3777, ext. 4219 FAX 951/928-6171 odencransp@emwd.org P.O. Box 8300 Perris, CA 92572-8300



For Immediate Release

EMWD tiered-rate billing begins

Perris, CA (April 9, 2009)—After a year of preparation and two months of sending out "shadow bills" for water customers of Eastern Municipal Water District, the first 9,600 actual tiered-rate bills were sent out in Wednesday's mail. EMWD generally mails between 8,000 to 10,000 bills each work day.

In February and March, shadow bills accompanied regular bills to give customers an idea how their bills would have fared under the tiered structure. With EMWD's traditional rate structure, water rates were set according to a single commodity rate, regardless of the volume used. Under the new structure, each of EMWD's 120,000 residential customers were provided with water budgets designed to give them the water they need for both indoor and outdoor uses..

Indoor water budgets are based on the number of residents in the household, each using 60 gallons per day. The default single family residential household budget is based on three people, and multifamily residential is two. This comprises Tier 1.

Outdoor water budgets are set according to the property's estimated irrigated area, based on County parcel data (lot size) and GIS information (house footprint, garage/carport area and driveway). The default for irrigated areas is generally set at 3,000 square feet, or up to 6,000 square feet for large landscapes. The outdoor portion comprises Tier 2. Together, the indoor and outdoor tiers form a household's water budget. Unlike other one-size-fits-all tiered rate structures, EMWD's includes allowances for larger households and for weather so greater outdoor irrigation is included in the budget during the summer.

"Our customers have responded positively to this new billing system," Ron Sullivan, EMWD board president said, "because during the two-months of shadow bills, most customers have seen that their water budgets are not punitive, but fair. Our goal is not to force people to go without water, but to eliminate excessive or wasteful use."

The shadow bills also confirmed that 80 percent of EMWD's customers kept within their first two tiers, their water budgets. If tiered rates had been in effect at that time, those customers would have paid 18 percent less than their fixed commodity rates.

"We applaud those who did so well and expect them to benefit from their good practices," he said. "And that is why I feel confident saying that low to moderate water users may see a decrease in their monthly water bills."

Those in the higher tiers would have made up the difference in revenue, but the goal, he said, is for an overall revenue-neutral income. That means the customers who use excessive (Tier 3) or wasteful (Tier 4) amounts of water will take on the financial burden that subsidizes those who use water efficiently. This is similar to finding a fair way to fund a lifeline rate for low to moderate income families or seniors, but is available to all EMWD customers.

In addition to customer newsletters, press coverage, presentations and other methods for getting out the details about the new billing change, EMWD has documented more than 2,000 phone calls requesting information about the new rates. And more than 4,300 variance requests have been received, with about 90 percent approved. Increased budgets are approved for changes in the number of people in a household, larger landscaping areas, increased needs for large

animals, child care or for medical requirements. Justification can also be made for allowing swimming pools to be refilled once every five years.

Customers who want to learn more about water budgets and tiered rates should go to:

http://www.emwd.org/water_service/UnderstandingTieredRates.html#Tiers

Included in the information is an interactive water budget estimator, billing examples and

frequently asked questions.

Individuals are also available to answer questions by phone about tiered rates and

variances. Phone 951-928-3777, and follow the recorded prompts.

Information is also available online

(<u>http://www.emwd.org/conservation/emwd_programs.html</u>) and by phone regarding

conservation programs and other ways customers can become more water efficient.

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EMWD is the freshwater, wastewater service and recycled water provider to a 555-square mile area from Moreno Valley southward along the I-215 corridor to Temecula and eastward to Hemet and San Jacinto. Approximately 675,000 people live and work in this area. In addition to its own water customers, EMWD supplements water to eight local water agencies and municipalities that have their own water departments. EMWD operates four water reclamation facilities and treats some 45 million gallons of wastewater daily. More information can be found at EMWD's web site www.emwd.org.