# Proposed Water and Wastewater Rate Changes FREQUENTLY ASKED QUESTIONS



#### What are the proposed rate changes?

You can view the full schedule of proposed rate changes mailed to homeowners and customers within the Proposition 218 notice at SBMWD.org/Rates2022. A Spanish language version of the Proposition 218 Notice is also available on the website, or by calling Customer Service at (909) 384-5095.

> As part of the City of San Bernardino Municipal Water Department's (SBMWD) commitment to transparent operations, the Proposition 218 notice was created to:

- Inform you about all potential changes that affect your bill.
- Let you know the reasons for the water and wastewater rate changes.
- Share how you can participate in the process.

#### Why are rate adjustments needed?

If rates remain unchanged, SBMWD's operational and capital costs will rise to levels greater than what current rates and charges can support. SBMWD has not adopted increases to its water and wastewater rates in more than five years, during which time SBMWD's expenses and projected future revenue requirements have changed considerably. Like other household expenses, costs related to services SBMWD provides have increased in recent years. Additionally, the proposed rate changes will promote greater transparency and equity across all rate classes reflecting current costs and circumstances.

#### If adopted, when would the rate changes go into effect?

If approved by the City of San Bernardino Water Board, the proposed rate changes would take effect on April 1, 2022, with subsequent annual increases on July 1, 2022 through July 1, 2025. Each of the proposed changes would be reflected on customer billing approximately one month after the new rates become effective. For example, rate changes effective April 1, 2022 would be reflected on customer bills issued in May, 2022.

#### How would the proposed changes affect my bill?

SBMWD wants customers to understand the bill impacts of the proposed rate changes. The table below provides an average\* Single Family Residential customer's combined water and wastewater bill and shows how that bill would change with the proposed rates effective April 1, and July 1, 2022.

Current Bill	Proposed April 1, 2022	Proposed July 1, 2022
\$82.13	\$85.02	\$92.13

\*Average bill is calculated as 5/8" meter size with water usage of 18 Hundred Cubic Foot (13,500 gallons) of water.



Get an estimate of how the proposed rate changes will affect your water and sewer bill with SBMWD's Bill Calculator. Follow the Bill Calculator link at SBMWD.org/Rates2022 to enter your account information and compare proposed rates with an old bill.

### Proposed Water and Wastewater Rate Changes

### FRÉQUENTLY ASKED QUESTIONS (CONTINUED)



#### How does SBMWD spend money it collects from customers?

SBMWD's costs are not only for the supplies needed to deliver water and wastewater services, but for many other costs including items such as debt service, capital expenditures, labor and benefits, as well as treatment and maintenance.

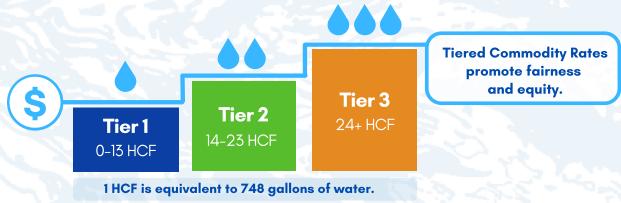
This graphic shows dollar for dollar how SBMWD allocates funds to provide the water and wastewater services it delivers.



#### What are "Tiered" Commodity Rates?

Commodity Rates are based on the amount of water delivered to a property per unit of Hundred Cubic Foot (HCF). Tiered water Commodity Rates are calculated at different levels of pricing per unit based on the amount of water delivered. While the Department's operational costs increase with the amount of water delivered, water utility systems must be designed to provide water to its users, regardless of how much water is consumed.

Tiered rates ensure that those customers driving SBMWD to incur higher costs of providing service, are paying rates in line with the increased costs of those services. In the new proposed Commodity Rate structure, Single Family Residential customers will pay Commodity Rates based on their usage within the range of three consumption tiers.



### Proposed Water and Wastewater Rate Changes FREQUENTLY ASKED QUESTIONS (CONTINUED)



#### What are the proposed Drought Surcharge Rates? When would they go into effect?

SBMWD is proposing Drought Surcharge Rates which would ensure the Department maintains sufficient revenues to cover costs of providing water service during drought. The proposed Drought Surcharge Rates are calculated based on four scenarios of mandated water use reduction targets at 10%, 15%, 20% and 30%. The Drought Surcharge Rates adjust water Commodity Rates (water usage rates) to adequately cover the costs of providing water service at each of these potential water reduction mandates.

Drought Surcharge Rates **would not** automatically go into effect if the proposed rate changes are approved. Rather, Drought Surcharges would be adopted by a separate action of the City of San Bernardino Water Board only in the event of a local or statewide drought emergency requiring mandatory curtailments in water use.

This example shows how Drought Surcharges would be adopted and how a the Surcharge at a 10% water reduction mandate could impact an average single family residential water bill.



#### Why are SBMWD's wastewater rates for the City of Loma Linda lower?

SBMWD provides both wastewater treatment and collection services for approximately 80% of the City of San Bernardino. Additionally, SBMWD performs wastewater treatment for the City of Loma Linda. Because SBMWD does not collect wastewater for the City of Loma Linda, their wastewater rates are lower than rates for San Bernardino properties which receive both wastewater treatment and collection services.

Just as SBMWD must follow Proposition 218 regulations which govern rate setting for public service charges, the City of Loma Linda must also adhere to this process for any changes to rates and charges passed along to their customers.

#### Does SBMWD offer assistance programs?

SBMWD's offers options to assist customers with bill payment including payment plans and a Customer Assistance Program. The Customer Assistance Program provides a flat monthly discount to water bills for single family residential customers who qualify based on household income. For more information on program eligibility and details on how to apply, visit **SBMWD.org** or call Customer Service at **(909) 384-5095**.

## Proposed Water and Wastewater Rate Changes FREQUENTLY ASKED QUESTIONS (CONTINUED)



#### Will there be more rate increases after July 1, 2025?

Just as household costs increase over time, so do SBMWD's operational costs. Regular analysis of water and wastewater rates and charges is a responsible best practice for water agencies to ensure they are able to sustainably maintain revenues and adequately recover the costs of services they provide. Ideally, every three to five years water service providers will assess and modify rates and charges as necessary in order to lessen the impact to ratepayers through modest increases over time.

#### How can I participate in the rate setting process?

SBMWD welcomes your input as the City of San Bernardino Water Board considers the proposed rate changes. If you have questions or comments you can:



Review more information about the proposed rate changes and find updates on all public meeting dates, times, and locations by visiting **SBMWD.org/Rates2022** or calling **(909) 384–5141.** 



Any record owner of a parcel upon which the proposed charges will be imposed as well as tenants directly liable for the payment for the proposed charges have the right to submit a formal written protest to the proposed rates, but only one protest may be counted per parcel. Written protests may be mailed to:

City of San Bernardino Municipal Water Department Attention: Miguel J. Guerrero, General Manager P.O. Box 710, San Bernardino, CA, 92402



Written protests may also be emailed to **Rates2022@SBMWD.org** or hand delivered at the public hearing (date, time and location noted below). Emailed protests must include a scanned written protest with a signature. Written protests must be received prior to the conclusion of the public input portion of the public hearing. Protests to the proposed rates must include your name, signature, street address, parcel number and/or your account number. Protests by other electronic means do not count as formal written protests.



Attend a public meeting/hearing. The public hearing will take place on **Tuesday, March 8, 2022** at **9:30 a.m.**, at **Norman F. Feldheym Central Library, 555 West 6th Street, San Bernardino CA, <b>92410.** After the conclusion of the public hearing the City Water Board may take action regarding the adoption of the proposed rate increases. At the public hearing, all members of the public will have an opportunity to speak, but verbal comments alone do not qualify as a formal protest.