

FORECAST FOR WATER RATES IN 2021

In last month's newsletter we described the challenges we face with imported water costs and our efforts to secure lower cost water supplies for our region. That process will take some time to complete, but the cost we pay for wholesale water to the San Diego County Water Authority (SDCWA) is going up again on January 1, 2021. As last month's newsletter detailed, imported water costs are about 70% of our total expenses at Rainbow MWD.

Last year the Rainbow Board of Directors decided to absorb the increase in wholesale water rates imposed by SDCWA on January 1, 2020. We cut our internal costs as much as possible to offset the \$963,903 in extra expenses sent to SDCWA. Now, we are forecasting an additional \$662,583 in costs for wholesale water for calendar year 2021. Unfortunately, we simply cannot continue to absorb these extra costs as that could jeopardize our ability to properly operate and maintain the system of pipelines, tanks, and pump stations that bring the water to your homes and businesses.

On December 8, 2020 the Rainbow MWD Board of Directors will consider a rate increase to offset these higher wholesale water costs. This proposed increase will be solely to offset this increase in costs from SDCWA. None of the increase in rates will stay at Rainbow MWD – all will be sent down to SDCWA. The Rainbow MWD Board is committed to the process of securing our right to choose our wholesale water – a right clearly established under State law. We face considerable opposition from SDCWA in this effort as they do not want to give up the revenue that all of our customers send south each month. If we were a member agency of Eastern MWD now, no such rate increase would be needed. In fact, it is more likely than not that a rate decrease would be possible.

Our Board is committed to providing all our customers a safe and highly reliable supply of water at the lowest possible cost. The change to Eastern MWD as our wholesale provider would do just that! If you would like to participate in the discussions surrounding the rate change, please check our website for information about how to attend either our Budget and Finance Committee meetings or our regular Board meetings. Your input is always valued!

IMPORTANT NOTICE FOR AGRICULTURAL CUSTOMERS

If you are currently enrolled in the **Transitional Special Agricultural Water Rate (TSAWR)** program, you should be aware that the San Diego County Water Authority recently changed the program in several ways:

- On 1/1/2021, TSAWR will become the **Permanent Special Agricultural Water Rate (PSAWR)** program;
- PSAWR will be open to new qualified participants;
- There is no minimum amount of land dedicated to agricultural purposes to qualify for the new PSAWR Program; and
- By June 30, 2021 all previous TSAWR customers receiving the PSAWR program rate must be in one of four different eligibility programs:

1) San Diego Growers List - Pesticide Use;

2) Active Certified Producers Certificate – County of San Diego

3) Organic Producers - United States Department of Agriculture;

4) San Diego Regional Water Quality Control Board General Agricultural Order Enrollment Program.

The San Diego County Department of Agriculture Weights and Measures would be an excellent resource for Eligibility Programs 1, 2 and 3, at 760-752-4700 (San Marcos Office). The San Diego Farm Bureau would be an excellent resource for information on Eligibility Program 4 – 760-745-3023.

What Happens Now?

If you are currently a TSAWR customer you will automatically be transferred to the PSAWR program on **January 1, 2021** and can remain in the new program **through June 30, 2021**. However, to stay in the new program past June 30, 2021 and receive the PSAWR program rate differential, you must apply for and be enrolled in the new program **by June 30, 2021**.

Next Steps

During October, Rainbow MWD will be cross referencing these program lists to our TSAWR customer accounts to determine eligibility for the PSAWR program. Starting in November, RMWD will be sending out individualized information about your eligibility for the PSAWR Program including:

- If you are in the TSAWR program and on one of the eligibility lists, how to apply to continue in the PSAWR Program **beyond June 30, 2021;**
- If you are a current TSAWR participant but not on one of the eligibility lists shown above, you must either register in one of eligibility programs or be dropped off the program as of **June 30, 2021**. We will be providing you with information on how to enroll in one of the eligibility programs; and
- If you are on an eligibility list, but not currently in the TSAWR Program, we will let you know that you are eligible to participate in the PSAWR program, **effective January 1, 2021**, and how to apply.

More details will be available on our website at www.rainbowmwd.com as of November 2, 2020.

RMWD will be working hard to make the transition from the TSAWR to the PSAWR Program as smooth as possible.