



## Frequently Asked Questions About Desert Water Agency's Proposed Rate Structure

*Desert Water Agency (DWA) is a nonprofit, public agency dedicated to providing a cost-effective, reliable, high-quality water supply for about 23,000 homes and businesses in the Coachella Valley. Following an independent rate study by financial experts, DWA is proposing increased rates that would go into effect in January of 2017.*

### **Why is this rate increase necessary?**

The Coachella Valley has some of the lowest water rates in the state. However, the cost of providing a reliable water supply in California continues to rise. Like many other water agencies, DWA has faced increased expenses and decreased revenue. We may collectively be using less, but ensuring access to a high-quality water supply on-demand requires the same investments regardless of the volume of water used. DWA is also working to replace aging, leaky pipelines.

### **How has the cost of providing water increased?**

The agency must invest in maintaining its aging water system. Stringent state regulations require more costly water testing and sampling than ever before. The cost of imported water, material expenses and the simple cost of doing business have all increased.

### **Why must DWA invest in infrastructure maintenance now?**

Since its creation in 1961, DWA customers have made smart investments in establishing a water system that allows the agency to bring imported supplies to the region, actively replenish the groundwater basin and deliver a reliable water supply to local homes and businesses. More than 30 miles of DWA's pipelines, pumps and facilities were installed before 1950 with some reaching as far back as the 1920s.

The materials available today are superior to those available decades ago. While pipes that are more than 55 years old only account for 20

percent of DWA's system, they are responsible for more than 90 percent of the leaks in the system. The number of pipeline leaks that have required emergency repairs has been increasing every year since 2012, with a huge spike in 2015. Investing in proactive infrastructure maintenance and aggressive pipeline replacement now will minimize water loss and the need for costly emergency repairs down the road – emergency replacements can cost five times more than planned work.

### **Have budget cuts been made to offset agency expenses?**

As good stewards of the region's valuable natural resources as well as customers' investments, DWA always works to cut costs. The agency offset rising energy costs with efficient pump use, energy efficient well retrofits, and solar to power agency offices and water recycling facilities. Through bond refinancing, reduced employee medical benefits, pension restructuring and grant applications, DWA has significantly cut costs by more than \$21.5 million over the last decade. That figure will continue to grow as many of these changes will bring savings year after year.

### **How can we be sure that DWA is using customer dollars efficiently?**

DWA is committed to the responsible use and management of all resources. To ensure best practices are consistently being used, DWA brings in independent experts to audit the agency's financials and accounting practices annually.

### **Will DWA profit from this rate increase?**

As a public water agency, DWA does not make a profit from the water services it provides. The agency's rates are determined solely by the cost of providing services. DWA invests every dollar wisely to provide a maximum public service return on customer investments.

### **How much is the rate increase?**

The size of your meter will determine your new base rate water service charge. In January 2017, the average single family home would see an increase from \$10.75 or \$13.25 to \$14.41 per month. Additionally, the price per unit of water used would remain the same until July 2017 when it would increase from \$1.57 to \$1.72, a change of \$0.0002 per gallon.

DWA has developed a water rate calculator that will allow the agency to provide customers with an estimated projection of your monthly water bill under the proposed rates. To request your projection, please email [Ashley@dwa.org](mailto:Ashley@dwa.org).

### **What is a drought surcharge and how will it be implemented?**

The drought surcharge will be used to cover agency costs and encourage water use reduction. During a state mandated cut back or local water shortage, DWA's Board would vote to enact the surcharge, which would be an additional fee applied to every unit of potable water purchased by every customer. The amount of the surcharge would depend on the amount of water that the agency needs customers to save. The varying levels of the surcharge are presented in DWA's Proposition 218 notice. Once invoked, a drought surcharge will be active for six months, at which time a Board vote will be required to continue, lower, raise or eliminate the surcharge.

### **Will DWA provide any assistance for low-income customers?**

Working with United Way of the Desert, DWA has established a Customer Assistance Program for customers who need it most. The program is funded by employee and vendor contributions and allows eligible customers to receive a credit on a past due water bill. Additional community resources that may help eligible customers to lower monthly expenses are available here: <http://www.dwa.org/getdoc.cfm?id=641>.

### **Where can I learn more?**

DWA will host a series of workshops to provide customers with more information throughout the month of November. Please attend one or more of the following community workshops:

- **Thursday, November 3, 6:00 PM**  
Mizell Senior Center, 480 S Sunrise Way
- **Thursday, November 10, 12:00 PM**  
Desert Water Agency, 1200 S Gene Autry Tr
- **Saturday, November 19, 10:30 AM**  
Cathedral City Senior Center,  
37171 Buddy Rogers Ave
- **Monday, November 28, 7:30 AM**  
Desert Water Agency, 1200 S Gene Autry Tr

### **What's next?**

All DWA customers have also been invited to attend a public hearing on Thursday, December 15 at 6:00 PM in the Cielo Vista Charter School cafeteria located at 650 S Paseo Dorotea, Palm Springs, CA 92264. The hearing will provide customers the opportunity to gather information, ask questions and voice input.

If passed, the new rates would go into effect on January 1, 2017. The bills that you receive after that date would include the new rates. Please visit [dwa.org/rates](http://dwa.org/rates) for more information.