



DWA Proposed Rate Increase FAQ

How much are rates for homes and businesses going up?

DWA needs to increase its revenue for each service by the average annual rate of 6.25% for water service. Rates are calculated based on monthly fixed service charges and volumetric charges per unit of water.

In January 2024, the average single-family home will see a service charge increase from \$33.53 to \$38.32 per month. Additionally, the price per unit of water used will increase from \$2.28 to \$2.44.

The monthly wastewater charge for customers in Cathedral City will increase from \$6.15 to \$7.31 in January of 2024. Some wastewater customers will see an increased sewer rate starting in July 2023 that is a direct passthrough from Coachella Valley Water District, which treats the wastewater from the Cathedral City Cove and Highway 111 business corridor.

Why are rates going up?

Factors that led DWA to increase rates include:

- Inflation pushing up costs for materials and services
- The need to more aggressively replace aging water pipelines at risk of failure
- New state and federal regulations
- Funding reserve targets

Will DWA profit from this rate increase?

As a public water agency, DWA does not profit from the services it provides. DWA's rates are determined by the cost of providing services. The California Constitution doesn't allow us to collect more than that. We take our commitment to protecting our water, and our customer dollars, very seriously. A recent independent rate analysis showed that DWA was not adequately covering its costs.

What has DWA done to reduce costs?

DWA has been awarded 17 state and federal grants totaling \$10.2 million in recent years. We've also renegotiated contracts to get more revenue from our hydropower plants and have entered into new contracts to generate revenue from vacant land.

What if I can't afford a higher bill?

DWA has a customer assistance program called Help2Others. Low-income residents may qualify for \$200 in bill credits each year. Riverside County also has income-based resources. Visit www.dwa.org/h2o to learn more.

Are rates going up because of conservation?

Overall costs are going up. Conservation helps us reduce the need for major investments in the long run. In the short run, it can impact our financial stability, which is why drought rates and revenue stabilization rates are included. DWA must collect enough from customers to keep providing clean, reliable drinking water.

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

The drought surcharge will be used to cover agency costs during times when there is a water supply shortage or regulation requiring DWA to mandate conservation. DWA's Board would vote to enact the surcharge, which would be an additional fee applied to every unit (hundred cubic feet) of water purchased. The amount of the surcharge would depend on the amount of water that the agency needs to save ([see page 2 of the DWA Proposition 218 Notice](#)). Once invoked, a Board vote will be required to continue, lower, raise or eliminate the surcharge.

What is a revenue stabilization charge and how will it be implemented?

This rate allows DWA to remain financially healthy even in uncertain times. If revenue drops below a certain amount, this fee would be charged per 100 cubic feet in addition to the volumetric/service rate. The levels of revenue reduction and accompanying surcharge vary ([see page 3 of the DWA Proposition 218 Notice](#)). The Desert Water Agency Board must vote to enact this rate. It will automatically be removed if revenue recovers **or** upon a vote of the Board.

How was the public informed of the rate plan?

DWA [sent notices](#) to customers to highlight why DWA was considering the rate changes. DWA also held a series of community workshops and a public hearing to share information and give the public an opportunity to ask questions and provide input. They were held at the following times and locations:

- Public hearing: June 28, 8 a.m. at DWA in Palm Springs.
- Community workshop: June 10, 2 p.m. at Cathedral City Senior Center
- Community workshop: May 26, 2 p.m. at Desert Water Agency. You can watch the workshop recording [here](#)

What's next?

Most of the new rates will go into effect on Jan. 1, 2024 with new recycled water rates and some wastewater passthrough charges starting July 1, 2023. Please visit www.dwa.org/rates for more information.