



## Information on Proposed Water Rate Changes

We've all done well to cut back on water use, but ongoing drought has brought about a new normal in California that requires more efficient water use all the time. This has a direct effect on the City of Corona, and the revenues collected for water services. The City of Corona Department of Water and Power (DWP) is requesting approval of several changes to help ensure sufficient revenues are collected to guarantee a fully financed, operational water utility:

- Changes to your water budget to help promote further water conservation;
- A rate increase for water use (commodity) and fixed charges;
- Annual increases for the next five years of 5% each year; and
- A temporary revenue stability charge that becomes effective when in Conservation Stage 3 or higher.

### Reason for Increase

DWP is funded through revenue from water charges. By law, DWP can only collect enough funds for the cost to provide water service. In order to provide 24 hour a day, 7 day a week water service, all facilities must be in proper working order. DWP must also plan for the eventual replacement of infrastructure such as pipes and pumps. Stricter regulatory requirements also require additional monitoring activities and treatment.

DWP charges a fixed Ready-to-Serve (RTS) Charge and a charge for the amount of water used (commodity). In times of reduced water use, as seen over the past several years due to drought and state-mandated water use cutbacks, DWP is not able to collect enough revenue to cover its fixed expenses. While less water is sold, much of DWP's costs remain. Operating and maintenance costs of the City's water system remain constant, no matter how much water is used. This is true for many expenses, including customer service costs, regulatory testing, and meter reading services.

### Changes in the Water Budget Formula

DWP is proposing changes to the way your water budget is calculated. The changes encourage increased water efficiency both indoors and outdoors. The changes are based on efficiency standards set by the State of California. The changes provide a larger cushion in Tiers 3 and 4 before moving into the highest tier. The table below lists the proposed changes to the water budget and tiers:

Budget Factor	Current	Proposed
Gallons per person	60 per day	55 per day
Percent of Evapotranspiration*	114%	80%
Inefficient Use	101-120% of total budget	101-150% of total budget
Excessive Use	121-140% of total budget	151-200% of total budget
Unsustainable Use	> 140% of total budget	> 200% of total budget

\* Evapotranspiration is the amount of water evaporated daily from the soil and used by plants.

### Proposed Residential Budget Calculation

Your bill will change with the proposed budget changes. Here is an example of how a bill for an average family will change:

Current					Proposed				
Number of People	Gallons Per Person	Days in Billing Cycle	Indoor Water Budget		Number of People	Gallons Per Person	Days in Billing Cycle	Indoor Water Budget	
4	x 60	x 30	= 7,200 gallons or 10 units		4	x 55	x 30	= 6,600 gallons or 9 units	
Landscape Area (SF)	Evapotranspiration	Outdoor Efficiency Factor	Outdoor Water Budget		Landscape Area (SF)	Evapotranspiration	Outdoor Efficiency Factor	Outdoor Water Budget	
2,500	x 5.67 in. or 0.4725 ft.	x 0.8 / 0.7 or 1.14 / 100	= 10,072 gallons or 14 units		2,500	x 5.67 in. or 0.4725 ft.	x 0.80 / 100	= 7,068 gallons or 10 units	
<b>Total Budget</b>			<b>24 units</b>		<b>Total Budget</b>			<b>19 units</b>	
Tier 3—Inefficient Use			5 units		Tier 3—Inefficient Use			10 units	
Tier 4—Excessive Use			5 units		Tier 4—Excessive Use			10 units	
Tier 5—Unsustainable Use			> 34 units		Tier 5—Unsustainable Use			> 39 units	

## Proposed Water Rates

If approved, the proposed rates listed below will become effective in January 2020:

### Commodity (Use) Charges

Tier	Current	Proposed
Tier 1—Indoor Use	\$2.10	\$1.57
Tier 2—Outdoor Use	\$2.33	\$2.26
Tier 3—Inefficient Use	\$3.17	\$4.49
Tier 4—Excessive Use	\$6.35	\$7.48
Tier 5—Unsustainable Use	\$11.64	\$11.17

Tier 1 and 2 rates reduced

### Ready-to-Serve Charges

Meter Size	Current	Proposed
5/8"	\$19.23	\$22.28
3/4"	\$25.23	\$29.98
1"	\$36.09	\$45.38
1 1/2"	\$62.90	\$83.88
2"	\$91.80	\$130.08
3"	\$156.91	\$276.38
4"	\$241.02	\$491.98
6"	\$442.64	\$1,238.88
8"	\$651.04	\$2,162.88
10"	\$651.04	\$3,240.88

Larger meter rates increase

## Examples With Different Water Uses

Below are several examples of bills calculated with the current and proposed budget using the same factors shown in the table on the previous page but with different amounts of water used:

### Water Use: 24 units

Current	Units	Charge	Proposed	Units	Charge
Tier 1	10	\$21.00	Tier 1	9	\$14.13
Tier 2	14	\$32.62	Tier 2	10	\$22.60
RTS		\$25.23	Tier 3	5	\$22.45
Total:	24	\$78.85	RTS		\$29.98
			Total:	24	\$89.16

### Water Use: 22 units

Current	Units	Charge	Proposed	Units	Charge
Tier 1	10	\$21.00	Tier 1	9	\$14.13
Tier 2	12	\$27.96	Tier 2	10	\$22.60
RTS		\$25.23	Tier 3	3	\$13.47
Total:	22	\$74.19	RTS		\$29.98
			Total:	22	\$80.18

### Water Use: 19 units

Current	Units	Charge	Proposed	Units	Charge
Tier 1	10	\$21.00	Tier 1	9	\$14.13
Tier 2	9	\$20.97	Tier 2	10	\$22.60
RTS		\$25.23	RTS		\$29.98
Total:	19	\$67.20	Total:	19	\$66.71

## Temporary Revenue Stability Charge

The unplanned, mandated 28% cutback in water use imposed on the City by the State Water Resources Control Board (SWRCB) and Governor Brown's executive order in 2015 demonstrated how outside factors can affect revenues. In order for DWP to ensure it collects enough money to cover high fixed costs, a Temporary Revenue Stability Charge (TRSC) is being proposed. When in effect, the TRSC will appear on your bill as a separate line item. The charge will be for each unit of water used. The TRSC will only be used when the City is in Water Conservation Stage 3 or higher due to an emergency or drought. The TRSC will be used to collect enough revenues to meet fixed costs during reduced water use periods.

## Need More Information?

### Community Meetings

DWP will be hosting meetings about the proposed rate increases and changes to your water budget. The meetings are scheduled as follows:

Date	Location	Address	Time
10/23	Corona Desalter	745 Public Safety Way	7:00 p.m. to 8:00 p.m.
11/02	City Hall Council Chambers	400 S. Vicentia Avenue*	9:00 a.m. to 10:00 a.m.
11/21	Corona Desalter	745 Public Safety Way	7:00 p.m. to 8:00 p.m.
12/12	Corona Desalter	745 Public Safety Way	7:00 p.m. to 8:00 p.m.

\* Event will be shown on Facebook Live.

### Questions? Contact Us!

Can't attend a community meeting? We are happy to help answer your questions at your convenience. Please feel free to contact us at (951) 736-2321 or by email at [CustomerCare@CoronaCA.gov](mailto:CustomerCare@CoronaCA.gov).