



Q&A About Upcoming Changes to Your Water Rates

Q.	Why is there a change in rate categories for wastewater customers?
A.	The adjustments are slight and serve two purposes: 1) to group similar customers together as is best practice in rate-making, and 2) to simplify the billing process for the District.
Q.	Some rates are reduced based on this proposed rate structure. Does that mean we've been unnecessarily over-paying the last several years?
A.	A cost of service study often reveals a need for adjustments for cost responsibility between different customer groups. Previous rates will have been set based on best information at that time; it does not mean that there have been years of over payments or under payments.
Q.	Why the new methodology for calculating rates? Were previous rate studies done incorrectly?
A.	This new methodology is based on current interpretations of California law and best practices for rate-setting. The previous rate studies were based on best information and interpretations of California law at that time.
Q.	What is the difference between in and out of district customers and why are costs different?
A.	In and Out of District customers are terms currently used to describe customers living on properties that have been annexed into the District or not. The current basis for having different rates was determined many years ago and is not the focus of this study. A new rate structure is proposed in this study that eliminates the differentiation between In and Out of District customers because all customers are receiving the same level of service from the same facilities, regardless whether they are annexed into the District or not.
Q.	What is the difference between customers whose property taxes contribute to LCWD versus those who do not.
A.	The amount of property taxes allocated to special districts such as LCWD is determined by the State and local governments. The percentage allocation of property tax distributed to LCWD has been largely unchanged since Proposition 13 passed in 1978, when a new property tax system in the State was set. While LCWD can advocate for a change in allocation, the law directs that the County Board of Supervisors will make decisions on this matter on behalf of the special district. When an area is annexed into LCWD that has not previously been provided service (for water or wastewater), the County does not provide for transferal of any property taxes. As a result, some properties that are served by LCWD do not contribute any property tax revenue to LCWD.
Q.	Why the reduction in the water use base for out of district customers?
A.	The proposed water rates have reduced base use for ALL residential and commercial customers. The base allowance was determined as the median winter water use by customer type. In and out of district customers have the same median winter monthly water use; therefore, it is proposed that the base use (monthly allowance) is the same for all residential customers.
Q.	If the proposed rates are implemented, am I going have to pay more or less for <i>my</i> services?
A.	We can help you calculate what the impact will be for your property. Generally, current In District residential customers will have an increase in their total bill next year for any water use greater than the allowance (6 HCF). Out of District residential customers will have an increase in their total bill next year for any water use greater than 10 HCF.