

# 2015 Potable Water Rate Information Sheet



*Inland Empire Utilities Agency (IEUA) is a regional wastewater treatment agency and wholesale distributor of imported water and recycled water. Through its Member Agencies, IEUA is responsible for serving approximately 830,000 people over 242 square miles in western San Bernardino County. IEUA is committed to investing in our water supply for today and tomorrow through fiscal responsibility, efficient business practices, water supply management and environmental stewardship.*

## What are the water rates?

- **Meter Equivalent Unit (MEU)** charge - a monthly fixed cost on potable water assessed using a meter equivalent unit (based on the average water use of a single family residence).
- **MWD Readiness to Serve (RTS)** charge - pass through of MWD stand by charges based on 10 year AF purchases

## What does it cover?

- MEU covers program support potable water and regional conservation program Operation and Maintenance (O&M) costs.
- RTS covers MWD pass through readiness to serve costs.
- MEU/RTS do not cover capital costs

## What is the benefit?

- MEU develops regional water supplies and ensures water reliability.
- RTS supports emergency service and operational flexibility of imported water.

## Why are the rates being changed?

- Rates have not fully paid for program support for potable O&M and regional conservation programs over the last 10 years.
  - **\$15 million deficit** has been subsidized by inter-fund loans.
- RTS charges were **not fully recovered** from the agencies that incurred the expenses.
- With growth increasing, population is expected to reach **1.2 million within the next 20 years.**
  - New additional water supplies are needed to support growth, address drought, and uncertain water imports.
- **Proposition 26** mandates costs should be reasonable and appropriately allocated to payers based on the benefit received.
  - **Comprehensive rate study** proposed new MEU rate and modified RTS recovery rate to more equitably allocate costs.

## PROPOSED WATER RATES

**IEUA Direct Costs:** These costs will be bundled and included in the base rate as a fixed cost by the local water supplier.

**\$1.15/MEU**

**Pass-through Costs:** These costs will be bundled and included as a variable rate by the local water supplier,

**\$67.15/AF**

Monthly Fixed Costs	
Annual Operation & Maintenance MEUs in service area	\$5.48 million 401,826
Annual cost/MEU	\$13.64
Monthly cost/MEU	\$1.15

MWD RTS Pass Through Costs	
Annual RTS Expense	\$3.8 million
10-Year Average Annual Purchase (AF)	57,785
Growth Related cost	\$67.15/AF

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Wholesale Water Rate	EXISTING	PROPOSED Monthly Rates (\$/month) (Fixed Cost)				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Average Household, 1 MEU (3/4" meter)	\$2.105	\$1.150	\$1.185	\$1.220	\$1.257	\$1.294
Larger Households, 2.5 MEU (1" meter)	\$2.105	\$2.875	\$2.963	\$3.050	\$3.143	\$3.235
Large Industrial, 150 MEU (10" meter)	\$2.105	\$172.50	\$177.75	\$183.00	\$188.55	\$194.10

## Regional Water Supply Portfolio

