

PROPOSED FEES AND CHARGES – IF APPROVED, CHANGES ARE EFFECTIVE JULY 1, 2024

	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Monthly Meter Charge					
3/4-inch	\$63.89	\$67.57	\$71.46	\$75.57	\$79.92
1-inch	\$104.80	\$110.83	\$117.21	\$123.95	\$131.08
1 1/2-inch	\$184.84	\$195.47	\$206.71	\$218.60	\$231.17
2-inch	\$291.56	\$308.33	\$326.06	\$344.81	\$364.64
3-inch	\$1,003.03	\$1,060.71	\$1,121.71	\$1,186.21	\$1,254.42
4-inch	\$1,963.51	\$2,076.42	\$2,195.82	\$2,322.08	\$2,455.60
6-inch	\$4,453.64	\$4,709.73	\$4,980.54	\$5,266.93	\$5,569.78
Monthly Private Fire Line Charge					
2-inch	\$22.23	\$23.51	\$24.87	\$26.31	\$27.83
4-inch	\$101.41	\$107.25	\$113.42	\$119.95	\$126.85
6-inch	\$281.28	\$297.46	\$314.57	\$332.66	\$351.79
8-inch	\$591.52	\$625.54	\$661.51	\$699.55	\$739.78
Monthly Water Usage Rates (\$/hundred cubic feet or hcf)					
Residential					
Tier 1: 0 - 9 hcf	\$6.09	\$6.45	\$6.83	\$7.23	\$7.65
Tier 2: 10 - 35 hcf	\$13.01	\$13.76	\$14.56	\$15.40	\$16.29
Tier 3: 35+ hcf	\$15.38	\$16.27	\$17.21	\$18.20	\$19.25
Commercial	\$11.15	\$11.80	\$12.48	\$13.20	\$13.96
Institutional	\$11.76	\$12.44	\$13.16	\$13.92	\$14.73
Agriculture	\$5.46	\$5.78	\$6.12	\$6.48	\$6.86
Non-Potable	\$2.00	\$2.12	\$2.25	\$2.38	\$2.52

Note: 1 hundred cubic feet (hcf) = 748 gallons

WATER RATES UPDATE PROCESS TIMELINE

- APRIL 29, 2024** Rate Study Report reviewed at Board Meeting
- EARLY MAY 2024** This notice mailed to all customers
- JUNE 25, 2024** Public hearing on adopting proposed rates
- JULY 2024** New rates go into effect if approved by District Board



Montecito Water District
583 San Ysidro Road
Montecito, CA 93108



Public Hearing:
June 25, 2024 | 9:30 a.m.
583 San Ysidro Road
Montecito, CA 93108
Remote access available.



NOTICE OF PUBLIC HEARING ON PROPOSED WATER RATE INCREASE

Notice is hereby given that the Board of Directors of the Montecito Water District (“MWD” or “District”) will conduct a public hearing on June 25, 2024 at 9:30 a.m. at 583 San Ysidro Road, Montecito, CA 93108. Members of the public may attend the public hearing at the address indicated above, where the Board will consider adopting increases to the District’s water rates and charges. Remote participation information will be on the meeting agenda, posted on montecitowater.com, and available by calling 805-969-2271. The proposed increases are the result of detailed budget analysis and the findings of the Montecito Water District Rate Study Report (“Rate Study”) prepared by Raftelis, an independent financial consulting firm specializing in cost of services analyses and rate setting, to determine appropriateness of the amounts and a fair and equitable cost allocation among water customer categories. The net impact of the proposed changes in the rates for water customers will vary based upon customer type, meter size, and actual water consumption.

WHY AM I RECEIVING THIS NOTICE?

You are receiving this notice because you are the customer of record of one or more water connections located within the service area of the District. California’s Proposition 218 law requires water providers, such as MWD, to notify customers when proposing an increase to water rates and fees.

You may receive more than one notice if you are the customer of record for multiple accounts, and you may wish to share this notice with other interested parties.

www.montecitowater.com | 805-969-2271
info@montecitowater.com

RESPONSIBLE FINANCES ENSURE CONTINUED WATER RELIABILITY

WHAT DOES THE MONTECITO WATER DISTRICT DO?

The Montecito Water District provides residents, schools, and businesses with high-quality water essential to the community's health, safety and fire protection. Our work includes producing, purchasing, treating, and delivering water to our customers – and a lot goes into that.

We operate and maintain more than 110 miles of water distribution pipes, over 4,600 service connections, 12 groundwater wells, seven pump stations, 943 fire hydrants, Juncal Dam, Jameson Lake, nine reservoirs, and two water treatment facilities.

We are committed to providing reliable water service at the best value for our customers. A fundamental part of this is maintaining the critical infrastructure needed to bring water to your tap 24/7/365, and managing our finances wisely.

WHY IS INVESTING IN THE WATER INFRASTRUCTURE IMPORTANT?

Much of our service area relies on water infrastructure that is about 100 years old, so we must continually make investments to maintain a dependable, resilient system.

Each year, the District updates its Capital Improvement Projects plan, ensuring that plans for maintenance, repair, replacement, and upgrades are timed to bring maximum customer value.

YOUR RATES HELP PROVIDE FOR KEY 5-YEAR PLANNED INFRASTRUCTURE IMPROVEMENTS, INCLUDING:



Planned Upgrades for More Than 5.5 Miles of Distribution Pipeline

Pipeline failures are costly, can cause property damage, and lessen the water system's reliability.



Highline Water Main Replacement

We're replacing 7.5 miles of 1920s-era pipeline to reduce the risk of a break interrupting water service for nearly all our customers.



8 Reservoir Replacements/Retrofits

MWD is eligible for a one-time zero-interest State loan providing vital funding for construction projects to improve resilience in drinking water storage facilities.

ARE THESE INVESTMENTS THE MAIN REASON FOR INCREASING WATER RATES?

Investments in critical infrastructure are only part of the reason MWD needs to adjust rates. Extraordinary inflation, aging infrastructure, expenses for water procurement and treatment, and the need to improve system resilience have resulted in higher costs for MWD each year. We're not alone; water costs are increasing nationwide, especially in California.

WE'RE DEDICATED TO RAISING RATES ONLY AS NEEDED, AND NO MORE.

HOW DOES THE DISTRICT SET WATER RATES?

We update the District's financial plan yearly and study our water rates every three to five years. These industry best practices help ensure the District collects only the revenue needed to cover our costs. This consistent attention shows the District's commitment to fiscal responsibility.

When we update rates, we pay close attention to the District's operational costs, the rate of inflation, and customers' needs and priorities. This ensures we can responsibly balance the many factors that influence our rates.

The results of the study are used to develop rates that:

- Are equitable
- Support efficient water use
- Fund and modernize our infrastructure before major service disruptions occur
- Solidify MWD's long-term financial plan and build responsible reserve funds
- Help guide gradual, predictable future rate increases

IS THE DISTRICT CONSIDERING CHANGING THE WAY IT CHARGES FOR WATER?

No, only the rates themselves will be adjusted. Customers will still be charged a flat, consistent monthly charge based on their meter size, plus a volumetric rate based on how much water they use.

WHAT IMPACT WILL THIS HAVE ON MY MONTHLY BILL?

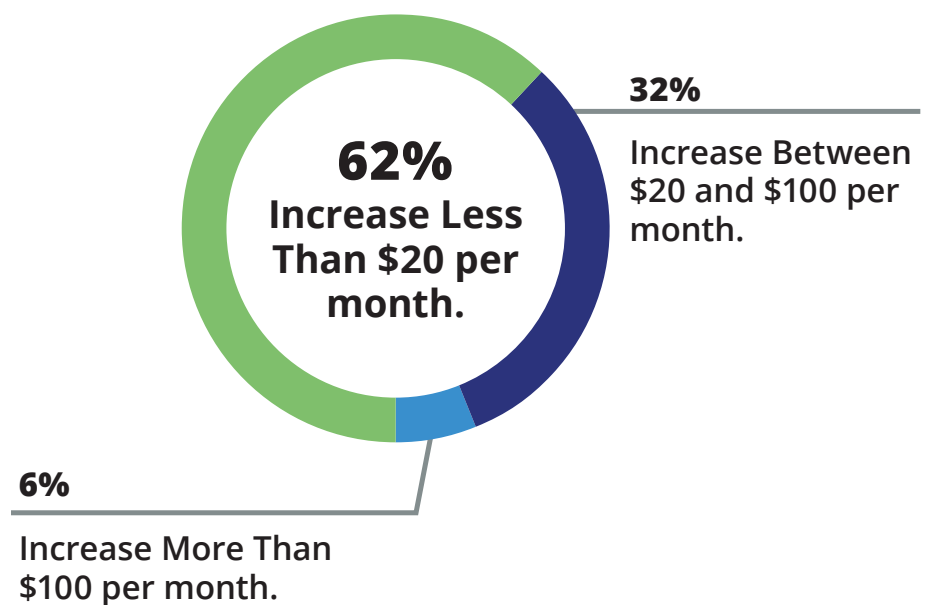
If the proposed rate adjustment is implemented in July 2024, approximately 62% of customers will see a less than \$20 increase in their monthly bills for the next 12 months, assuming their water consumption remains the same as it has been in the past. Even with these changes it will still cost less than a few pennies per gallon to have water delivered to your faucet 24/7/365.

EXAMPLES OF THREE RESIDENTIAL MWD CUSTOMERS WITH DIFFERENT WATER USAGE AND ANTICIPATED IMPACTS ON THEIR BILLS STARTING JULY 1, 2024:

Customer 1 12 hundred cubic feet/mo.	Customer 2 20 hundred cubic feet/mo.	Customer 3 36 hundred cubic feet/mo.
Monthly Bill Increases by \$6.16	Monthly Bill Increases by \$13.20	Monthly Bill Increases by \$28.39

Note: 1 hundred cubic feet (hcf) = 748 gallons

MONTHLY CUSTOMER BILL IMPACTS 2024



IF YOU OPPOSE THE PROPOSED CHANGES

Any current customer of record upon which the water rate changes are proposed, or any tenant directly responsible for payment of water rates (i.e., a customer of record who is not a property owner), or any property owner may submit a written protest to the proposed rate increases to the District's water rates; provided, however, only one protest will be counted per identified parcel. Each protest must: (1) be in writing; (2) state the protest is submitted in opposition to the water rate increase; (3) provide the location of the identified parcel (by service address, assessors' parcel number, or District account number); and (4) include the name and signature of the person submitting the written protest. Written protests may be submitted by mail or in person to the Montecito Water District office at 583 San Ysidro Road, Montecito, CA 93108, by email to info@montecitowater.com, or by facsimile to 805.969.7261. All written protests must be received prior to the conclusion of the public comment portion of the public hearing. For any protest submittal, whether mailed or submitted in person, please identify on the front of the envelope that the enclosed letter is for the public hearing on Proposed Water Rate Increases. The Board of Directors will consider all written protests timely submitted and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the public hearing, the Board of Directors will determine whether to adopt the proposed rate increases described in this notice. If, after the close of the public hearing, formal written protests against the proposed rate increases and as outlined above are not presented by a majority of the record customers or responsible tenants of the identified parcels upon which they are proposed to be imposed, the Board of Directors will be enabled to impose the rate increases.

If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact **Customer Service at 805-969-2271**.