

SOME QUESTIONS FOR EMWD, FPUD AND RMWD

July 12, 2021

1. Setting aside groundwater obtained by FPUD from a groundwater well, is it the case that FPUD & RMWD currently receive via SDCWA only treated water which comes from the Robert A. Skinner Water Treatment Plant?
2. If FPUD & RMWD detach from SDCWA and become served by EMWD, is it the case that they would pay EMWD only a volumetric fee consisting of (a) MWD's Full Service Tier One Treated rate plus (b) a charge of \$11/AF?
3. I understand that, this year (2021), MWD's Full Service Tier One Treated rate is \$1,104/AF. If I am right in item 2, and if FPUD and RMWD joined EMWD's service areas, would they be paying a volumetric charge this year of \$1,115/AF for water they receive from EMWD, and nothing else?
4. I understand from EMWD's Consolidated Schedule of Rates, Fees and Charges, dated June 16, 2021 that, as of January 1, 2021, the wholesale domestic commodity rate for EMWD's wholesale customers under rate schedules E102, E201, and E301 is \$1,350.48/AF. That is a bit different than the rate charged to FPUD and RMWD as described in 3. Is this correct? Do the wholesale customers who purchase water from EMWD under those rate schedules receive any services from EMWD that differ from the services which FPUD and RMWD would receive as wholesale customers of EMWD?
5. Suppose that, in the near future, there were a drought and MWD implemented a mandatory supply cutback of 15%. MWD would not directly implement this cutback on FPUD or RMWD because they are not – and would still not be – MWD member agencies. Instead, MWD would implement the 15% supply cutback on EMWD. How would this play out for FPUD and RMWD? How would it play out for EMWD wholesale customers such as Hemet or Perris or San Jacinto? Would FPUD and RMWD be in exactly the same situation as Hemet or Perris or San Jacinto or would there be some difference?
6. Suppose that, in the near future, MWD changed its rate structure for member agencies instituting some fixed charge in order to render its revenues less subject to the fluctuations inherent in purely volumetric rates. Suppose the fixed charge for member agency had the effect of allocating a set quantum of revenue among member agencies in proportion to their share of the total number of meter equivalents in the entire MWD service area, or their share of total water sales over the previous three years. As I understand EMWD's rate schedule, currently there is only a volumetric charge for wholesale customers based on the volume of water supplied. Would EMWD change this if MWD instituted some fixed charges for its member agencies? How might EMWD change its rate schedule for its member agencies? In particular, would it then change how it charges FPUD and RMWD? In this circumstances, would it treat FPUD and RMWD identically to EMWD's other wholesale customers, or would there be some difference?