

1. Why do rates increase?

Our service rates are a direct reflection of our costs. Although the Board and staff at Nuevo Water Company (NWC) work diligently to minimize those costs, we cannot operate with a negative net income. This is due to the rising costs of supplies, materials, infrastructure improvements, labor, and retail water prices. As a result, our rates must increase in alignment with these expenses.

In 2020, prior to the full realization of COVID-19's impacts, the Rural Community Assistance Corporation (RCAC) conducted a FREE, comprehensive rate study. Considering the market trends at that time, the study recommended a minimum 8.5% rate increase, followed by subsequent increase in years 2-5 of 2.5% each year. The board approved the 8.5% increase, but in anticipation of the volatile economic forecast, opted not to approve the subsequent 2.5% annual increases.

Since then, the substantial effects of COVID-19 and subsequent inflation have significantly influenced our costs and in 2022 a 10% rate increase was approved.

In response to this new reality, the NWC Board of Directors has chosen to implement rate increases as necessary. This approach ensures that we can uphold the provision of a safe and dependable water system to our valued shareholders.

2. Timeline of official rate changes:



3. Why do we use retail water?

The utilization of retail water sourced from Eastern Municipal Water District (EMWD), allows NWC to both maintain local groundwater levels and achieve state water quality standards, all while avoiding the high costs and upkeep associated with water treatment infrastructure.

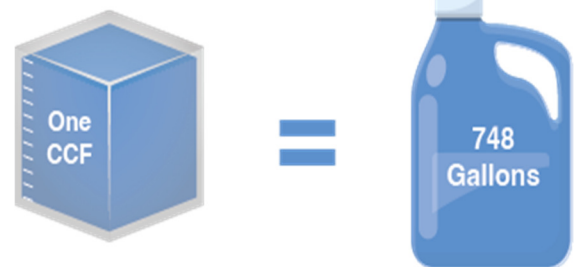
4. How do the monthly service charge and tiered rates work?

The monthly service charge is a fixed fee that shareholders are required to pay on a monthly basis for the provision of water-related services and the maintenance of water infrastructure. This charge is separate from the charges based on actual water usage and is intended to cover the costs associated with operating, maintaining, and improving the water distribution system, regardless of the amount of water you consume.

Water tier billing includes five increasing tiers and is designed to recover the costs of producing and purchasing water while also promoting conservation.

Monthly Service Charge: \$39.39

Tier	Allotment Structure	Rate Per 100 CF	2022 Residential Average Usage
T1	0 - 7	\$3.10	27.60%
T2	8 - 13	\$3.22	25.40%
T3	14 - 25	\$3.34	26.20%
T4	26 - 38	\$4.47	10.60%
T5	38 and Up	\$5.59	10.20%



*CCF – Centum Cubic Feet (100 cubic feet)

5. How much of our infrastructure is being targeted for replacement?

NWC anticipates replacement of approximately 49% of its aging infrastructure to meet California state standards.

Some of the funds collected through the monthly service charge are used to cover the expenses for these replacements and improvements. Additionally, NWC and its board are actively exploring opportunities for grants and state assistance to mitigate the financial impact on our shareholders.



Visit <https://saveourwater.com/> & <https://www.bewaterwise.com/> for water conservation tips and residential and commercial rebate information.

Visit Community Action Partnership of Riverside County at:

<https://capriverside.org/utility-assistance-program>

for Utility Assistance and Home Weatherization Programs.