

From: [K Elliott](#)
To: [LAFCO Information](#)
Subject: Murrieta FMSR Questions - RCWD Surcharge
Date: Monday, February 01, 2021 8:01:44 AM

I had some questions about the surcharge that RCWD proposes charging if they cannot charge the ad valorem to the Study Area.

1 – What rate of property value increase was assumed for future calculation of ad valorem revenue for the area as a whole? I assume that it exceeds both the Proposition 13 2% limit and the 2.5% inflation value used elsewhere since land and home prices have gone up significantly.

2 – My understanding of Section 8.3.2.3 “Water Rate Surcharge” is that as the overall land value increases, the revenue due to the \$0.50/\$100 land value ad valorem increases. This means that the revenue raised from a surcharge would need to increase as well. Is that correct? To achieve this revenue increase the % of the water bill that would be added as a surcharge would increase up from the original 51.26% as well. Is this understanding correct?

3 – In Table B-4, row 417, the RCWD rate surcharge % for 2019/20 is estimated to be 51.26%. Row 418 refers to a \$ Rate Surcharge (55.42% of FY 19/20 Monthly Bill, increased for inflation in Subsequent Yrs). Please explain this note and that different %.

4 - The ad valorem is mentioned as a key parameter/part of the key assumptions on pages 70 and 71. Why isn't the surcharge mentioned there as well? Is there something different about it?

Thank you-
Kathryn