

From: [\[name\]](#)
To: [LAFCO Information](#)
Subject: Riverside LAFCO Contact Form Submission "Rancho Ad Valorem vs. Water Rate Surcharge"
Date: Sunday, February 07, 2021 12:13:21 PM

From: Daphne Grigsby
Subject: Rancho Ad Valorem vs. Water Rate Surcharge

Message Body:

The study states that if Rancho assumes ownership of the study area, they will either assess an ad valorem tax on all property owners or add a water rate surcharge to the monthly bill. The report describes the water rate surcharge as revenue neutral to Rancho – meaning it will “recover the same amount of revenue as the ad valorem tax would have collected.”

- How is the water rate surcharge revenue neutral to Rancho? The ad valorem tax will change based on the County Assessor’s assessment of land value or the Rancho Board decides to change the \$0.50 per year per \$100 assessed value of land. Will the water rate surcharge be adjusted each year?
- Our monthly water bill is variable based on water usage. Is there a minimum surcharge amount to be added to the bill, regardless of the amount of the monthly water bill?
- If the surcharge results in collecting more than the revenue neutral amount for the year will the customer be refunded or credited the overage?
- There are two percentages referred to for the surcharge. Line 417 on Table B-4g “RCWD Scenario: Projected Total Water Cost Calculation” and the text of the study says that the surcharge would start at 51.26%, but line 418 states “\$ Rate Surcharge (55.42% of FY 19/20 Monthly Bill, Increased for Inflation in Subsequent Years.)” What is the meaning of the 55.42%?
- Table 8-9 FY “19/20 RCWD Santa Rosa Division Rate Schedule” and Line 199 on Table B-4a “RCWD Scenario: Projected Operating Statement: Sources of Funds” both state that RCWD’s energy charges are not expected to be applicable for the majority of the study area. What part of the study area is subject to them? Will residents currently paying Western’s pumping charge be subject to Rancho’s energy charge?
- If the water rate surcharge is only applied on retail customers’ bills won’t retail customers be paying more than our fair share since the amount to be collected will be spread among a smaller number of properties?

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