

To: Vallecitos Water District Ratepayers

NOTICE OF PUBLIC HEARING ON PROPOSED CHANGES IN WATER RATES

Date: Thursday, February 27, 2020

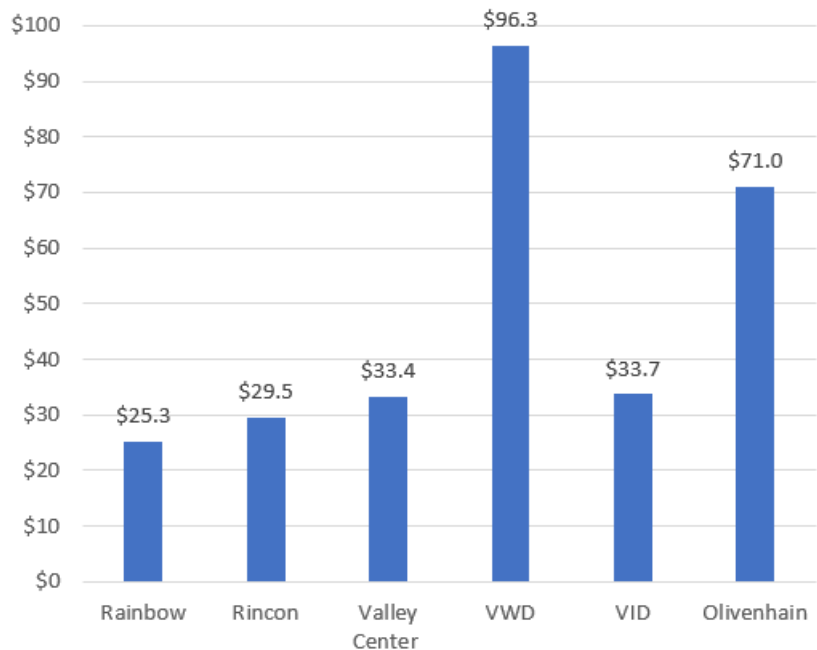
Time: 5:00 p.m.

Location: 201 Vallecitos de Oro, SanMarcos, CA 92069



Are you curious why we have nearly \$100,000,000 in our Vallecitos Water District Ratepayer Fund (the highest accumulated ratepayer fund in San Diego County) but the VWD Board has decided again to raise your water rates?

Accumulated Ratepayer Funds In Millions - The graph shows accumulated ratepayer funds in millions for Vallecitos Water District (VWD) and its neighboring agencies based on the most recent available audits.



Do you wonder why the VWD Board created the only developer fund deficit in the County of San Diego and uses your ratepayer money to subsidize the developers fund?

Accumulated Developer Fund In Millions - During the recent peak of construction in San Marcos, when the District would normally build up a surplus of developer funds from the payment of Capital Facility Fees, the fund balance plummeted and ratepayers funded the deficit.



Did you know Vallecitos Water District is a publicly-owned utility and unlike SDGE does not answer to the California Public Utilities Commission? The VWD Board members are elected by the ratepayer and paid for their services with ratepayer money.

How Did We Get Here?

In the 2012 elections, developer-supported candidates unseated VWD board incumbents, creating a Board majority with a developer-focus. The following policy actions created the deficit:

1. A particular developer was allowed to build without paying a certain fee (Sewer Density Impact Fee) – up to a \$3.2 million savings to the developer.
2. The due date for developers to pay fees was deferred from project inception to occupancy, a timing difference that won't reverse itself until the last building in San Marcos is built. The impact to the developer fund equals the Cap Fees associated with all the projects in progress at any point in time – millions.
3. In 2015, the Board eliminated and refunded the Sewer Density Impact Fee assessed to cover the cost of sewer treatment needed because of unplanned, increased (or densified) development and stated that the new Capital Facility Fee, which will become effective the same year (2015) will include the cost of the sewer treatment needed.
4. The Board delayed implementing the new Capital Facility Fee for over four years. The new deficient Cap Fees just became effective January 1, 2020. They eliminated \$22.3 million in debt owed by developers and did not include the \$55.1 million in sewer treatment capacity as promised by the Board in 2015. The burden to pay \$22.3 million in debt and the \$55.1 million in sewer treatment has shifted to the ratepayers.

What Can We Do About It?

1. **Protest the rates with a formal letter** (send to Vallecitos Water District, ATTN: Rate Hearing, 201 Vallecitos de Oro, San Marcos, CA 92069) and request the Public Rate Hearing be postponed. Get VWD businesses, community groups, HOAs and ratepayers to do the same.
2. **Attend the Thursday, February 27 Public Rate Hearing (5:00pm, 201 Vallecitos de Oro, San Marcos, CA 92069)** and provide comment. Rate payers should have already received a notice of public hearing from VWD. This is required by law.
3. **Elect candidates** who will represent the ratepayer and not take money from developers to fund their campaigns
4. **Visit** friendshipvallecitoswater.org/action-through-advocacy for more information