

Mon, Apr 19, 3:49 PM

Hello FVC Members and Friends,

I mentioned at the onset of deliberations regarding the \$1.6 million in overcharges refunded to VWD from the Metropolitan Water District, a refund or credit to VWD customers would not be practical, in part because of predecessor owner issues, but the Board would move to issue a credit or refund because that would look politically favorable (get votes). I guessed right. We will be getting a credit.

The motion included "and to announce this action in the District's newsletter [as] well as in a press release" - all voters will see it.

Director Craig Elitharp was the only dissenting vote, concurring with staff's recommendation on an offset of future rate increases.

The best solution would have been an offset of future rate increases. A credit or refund crosses a legal line. Now VWD has to make sure that each person receiving the credit actually paid the MWD charges passed through from 2011 to 2014. Otherwise, customers that actually paid the MWD charges during that time would be subsidizing a gift of public funds to ratepayers that became customers after 2011. Predecessor owners will be subsidizing the credit to successor owners and new customers - a potential challenge to [Article XVI Section 6](#) of the California Constitution.

If you became a customer after 2011, you are probably saying, "Tom, shut up!" Sorry, FVC is about equity - "We pay for water, not politics." All customers that were customers from 2011 through 2014 are paying for politics. (Don't worry, you will get your credit. They want your vote).

VWD is basing the credit on meter equivalents (a 5/8" and 3/4" meter is one meter equivalent, a 1" meter is 1.5 meter equivalents, a 1.5" meter is 4 meter equivalents, and so on). There are now about 1,700 more meter equivalents than there were in 2012. So those customers that paid for VWD water from 2011 through 2014 are getting a diluted credit.

Also, multifamily (apartments, condos, mobile homes, etc.) residents that paid for water from 2011 through 2014 either allocated to them from a master meter or through HOA charges will be getting stiffed because the credit, in most instances, will not likely be allocated back to those who ultimately paid the charges. They would have seen savings if VWD would have simply offset future increases (or reduce rates) with the refund.

It's actually not a lot of money, particularly if you don't use a lot of water, compared to the amount of developer subsidies we paid. But if you want to know what your credit should be if it were to be calculated in compliance with the California Constitution, the following formula provides a rough estimate:

[(What you paid for water, not including the RTS, pumping, or other miscellaneous charges, from bills sent July 2010 through June 2014) divided by \$85,858,733 (total VWD water sales from 2011 through 2014)] times \$1,590,623.74 (the credit)

Need help with the calculation? Just let me know. The hardest part is getting the amount you paid for water from 2011 through 2014. VWD [customer service](#) may be able to help you.

Important!!! Every voter in the District (over 50 thousand?) will get the Newsletter and see how wonderful the Board is and vote to reelect the same Board Members that unnecessarily raised our rates and diverted between \$15 million and \$53 million of our money for the benefit of the developers that financially supported them. Only 117 of you get these emails and know about the developer subsidies we pay. Please forward these emails to every VWD customer you know and encourage them to join FVC, be educated, and be an advocate.

Thank you,
tom

Tom Scaglione, FVC Co-founder
Friendship of Vallecitos Customers
We pay for water, not politics
friendshipvallecitoswater.org

Get educated! Please read the FVC Educational Series
[Release 1](#) - The Deficit
[Release 2](#) - Reserves