

May 29, 2020

Nicholas Turner  
 General Manager  
 Montecito Water District  
 583 San Ysidro Road  
 Montecito, CA 93108

**Subject: Water Rate Study - Example Bill Impact Correction**

Dear Mr. Turner:

On May 22 it was brought to our attention that the District could not reconcile the example bill at 36 hundred cubic feet (hcf) that is shown on the figure below from the Proposition 218 Public Notice (figure circled in red):

**EXAMPLES OF THREE RESIDENTIAL MWD CUSTOMERS WITH DIFFERENT WATER USAGE AND ANTICIPATED IMPACTS ON THEIR BILLS:**

Customer 1 12 hundred cubic feet/mo.	Customer 2 23 hundred cubic feet/mo.	Customer 3 36 hundred cubic feet/mo.
Monthly Bill Decreases by \$11.47	Monthly Bill Increases by \$13.72	Monthly Bill Increases by <u>\$37.11</u>

Raftelis reviewed the calculation used to provide figures for the example bill impacts and uncovered a formula error that only affected the identified 36 hcf customer in the Public Notice and the 52 hcf customer in the Rate Study Report<sup>1</sup> (Figure 4-2) for “very high” usage, shown on the following page.

Incorrect – Published in Public Notice	Correct	Difference
Monthly Bill Increases by \$37.11	Monthly Bill Increases by \$38.28	\$1.17

We want to emphasize that the bill impact calculation error does not affect the proposed rates, and all other customer impact examples for usage levels shown in Figure 4-2 of the Rate Study Report and the other example impacts on the Public Notice are correct. Additionally, the “Monthly Customer Bill Impacts – Single Family” histogram chart (Figure 4-1 of the Rate Study Report) and the “Monthly Customer Bill Impacts 2020” chart on the Public Notice are not impacted, as they are based off a separate impact calculator.

Raftelis is responsible for the District having published an incorrect piece of information in a public notice. This error is a regrettable oversight on our part and Raftelis takes full responsibility.

We have included the corrected Figure 4-2 chart below and will address the error and correction within our presentation at the District’s Public Hearing on June 25, 2020.

<sup>1</sup> Montecito Water District Water Cost of Service and Rate Study dated May 7, 2020

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 Los Angeles, CA 90071

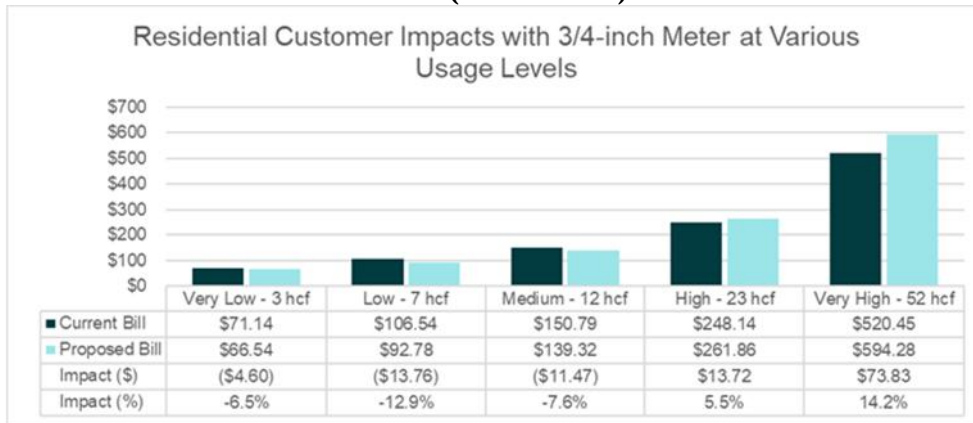
[www.raftelis.com](http://www.raftelis.com)

Sincerely,

**Sanjay Gaur**  
*Vice President*

**Kevin Kostiuk**  
*Manager*

**ERRONEOUS IMPACTS CHART (FIGURE 4-2)**



**CORRECTED IMPACTS CHART (FIGURE 4-2)**

