



Water Rate Study

Meiners Oaks Water District

PROPOSITION 218 HEARING

ROBERT D. NIEHAUS, INC.

JUNE 16, 2026



Objective of Today's Meeting

- Discuss Proposition 218
- Review Rate Study recommendations
- Answer customer questions

Proposition 218

In November 1996, California voters passed Proposition 218, the “Right to Vote on Taxes Act.” The principal requirements for fairness of the fees, as they relate to public water service, are as follows:

- Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.***
- Revenues derived by the fee or charge shall not be used for any other purpose other than that for which the charge was imposed.***
- The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.***



Customers have the right to protest any increase in fees

Notices must be sent more than 45 days ago
Written Protests can be submitted until the end of the hearing



Customers should not pay more than the fair share of cost of service



Public agencies cannot make a profit

Proposition 218 Requirements

Rate Study Recommendations

Background

Challenges

- Rates last increased on July 1, 2024
- District needs to repair/replace Tank #2
 - Assessed the impacts of issuing debt to complete the \$2.5 million Tank # 2 Project
- District may need to close the treatment plant
 - Assessed the costs of increased reliance on Casitas Municipal Water District water

Solutions

- Proposing a five-year revenue adjustment schedule to fund the District's operational and capital plans to ensure long-term performance of the systems
- Proposing rates that aim to minimize the impact on customers



Capital Improvement Project Plan

- Water Storage Tank 2 (Estimate \$2M-3M): Constructed in 2003, it is a galvanized bolted-steel tank with a capacity of 500,000 gallons. Based on CSI's 2021 inspection and Catalyst Divers' report in January 2025, there is heavy corrosion in the wall panels, floor, seams, and welds. It is strongly recommended that immediate action be taken to repair/replace the tank.
- MOWD is currently applying for Bureau of Reclamation Drought Resilience Grant Funding to help offset the costs of constructing a new, possibly larger-capacity tank. Increased capacity is critical for drought resilience and fire protection, as well as for meeting daily customer demand.

Capital Improvement Project Plan



- Wells 1 & 2 Rehabilitation (\$150,000): Pull and assess equipment at Well 2, replace damaged equipment at Well 1, and rehabilitate Well 1 to increase production and efficiency. Depending on the Well 2 equipment condition, funds may be budgeted in a future fiscal year.

Capital Improvement Project Plan

- Chlorine Analyzers – \$36,000 to purchase and install 2 Chlorine Analyzers at Wells 4a & 7 for continuous real-time chlorine monitoring of pumped water before distribution to customers, replacing daily manual testing. The Treatment Plant (Wells 1 & 2) already has this in place. The analyzers will be connected to the SCADA alarm system for added protection.



Capital Improvement Project Plan

- Tico Booster Electrical Relocation (\$15,000): Relocate the electrical hookup box for backup emergency generation to prevent blocking access to residents and emergency responders and to replace the deteriorating power pole, as required by So Cal Edison.





Capital Improvement Project Plan

- Replace 2009 Ford Ranger (End-of-Life) (\$60,000): The California Air Resources Board (CARB) regulates special district vehicles primarily through the Advanced Clean Fleets (ACF) regulation. Starting 2027: 100% of all vehicle purchases must be ZEVs. 50% ZEV requirement: Any medium- or heavy-duty vehicles purchased must be Zero-Emission Vehicles.



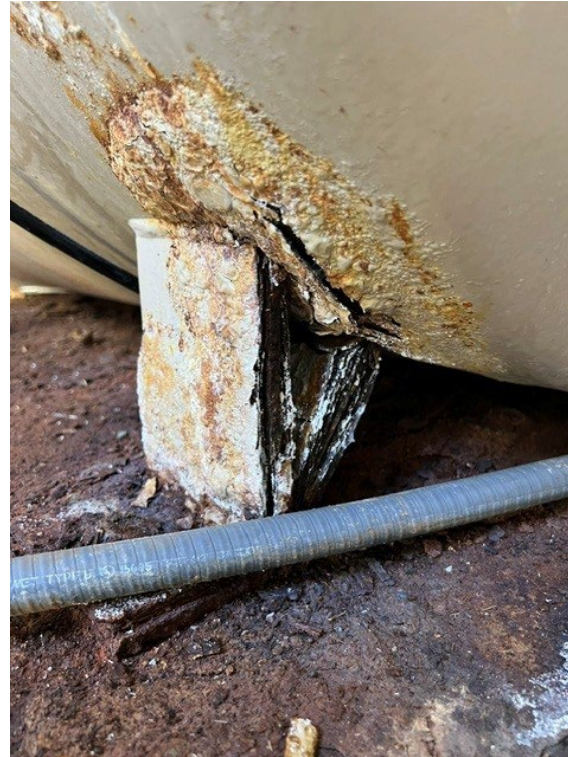
Capital Improvement Project Plan

- District Office Rehabilitation (\$60,000): Priority given to roof replacement, exterior carpentry, and replacing 20+ year old carpet, due to tripping hazards.



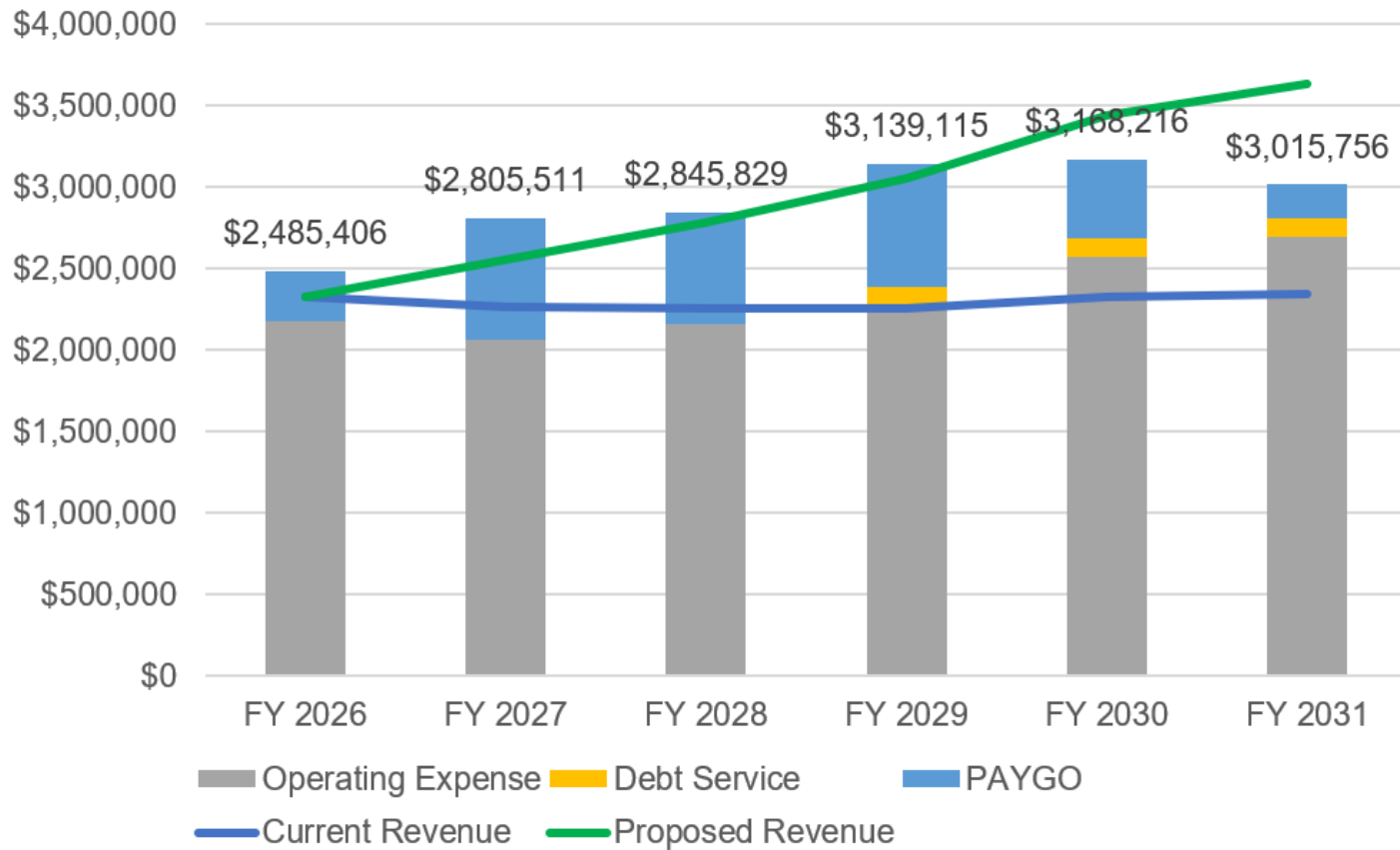
Capital Improvement Project Plan

- Replacement Treatment Plant (up to \$7M) – Pressurized filtration water treatment plant that treats the groundwater under the influence of surface water is nearing the end of its useful life due to corrosion of the carbon steel piping and vessels and failure of the housing. MOWD submitted a comprehensive Drinking Water State Revolving Fund grant application in 2025. In September 2025, the SWRCB Division of Financial Assistance informed MOWD that DWSRF funding would be available only for projects deemed failing or At-Risk; proactive replacement is no longer considered eligible. SWRCB encouraged MOWD to keep the application on file in case funding opens up under the next Intended Use Plan.
- MOWD is evaluating smaller-scale, less expensive replacement options. This project is currently on hold pending funding.
- Photos of the existing water treatment plant on the next slide.



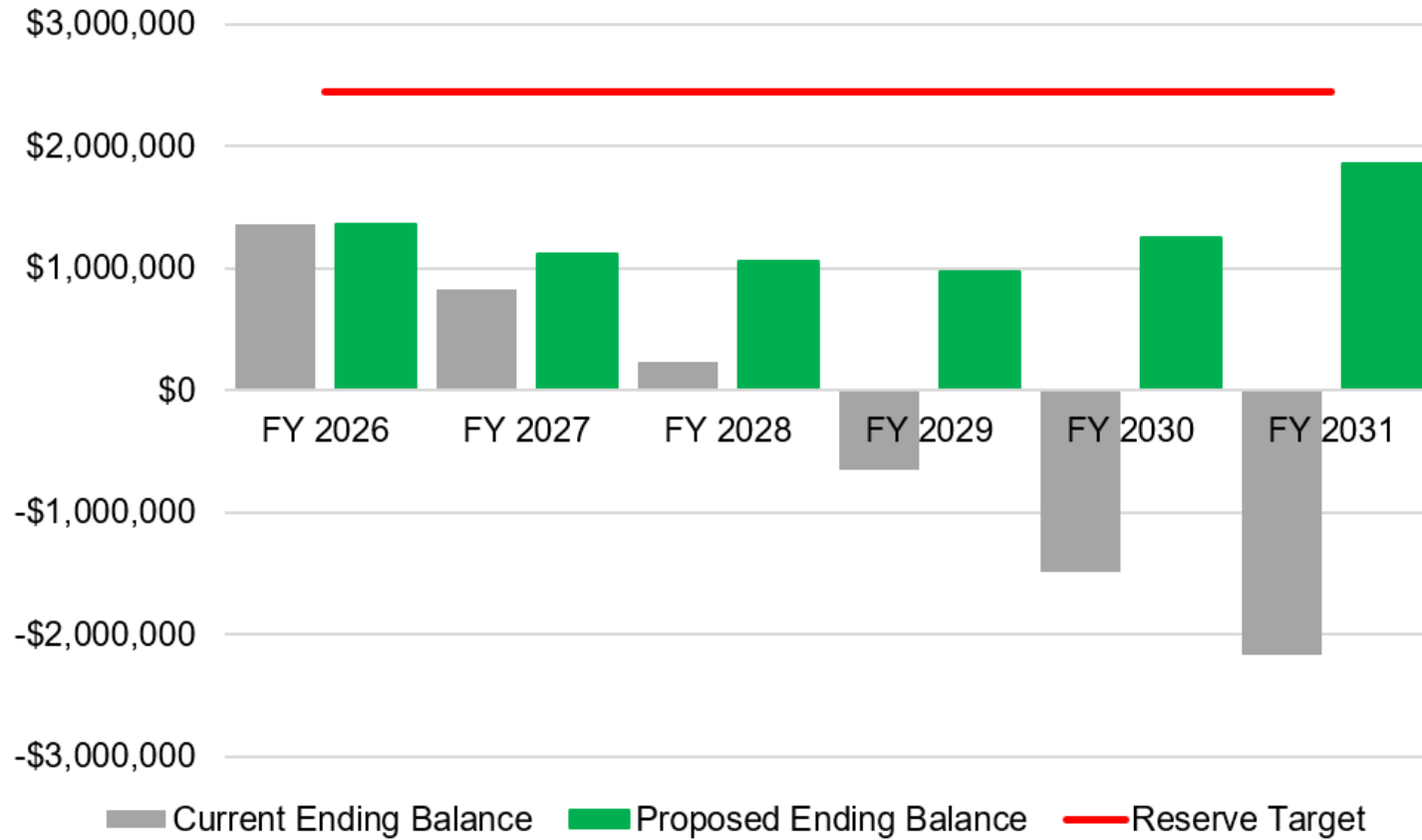
Capital Improvement Project Plan

EXISTING TREATMENT PLANT



Financial Results

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue Adjustment	15.0%	10.0%	10.0%	10.0%	5.0%



Financial Results

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue Adjustment	15.0%	10.0%	10.0%	10.0%	5.0%

Current Rates

Current Rates	
Fixed Charge	
Monthly Water Availability Charge	\$36.00
Monthly Meter Capacity Charge	
Meter Size	Monthly Rate
5/8"	\$0.00
3/4"	\$0.00
1"	\$17.60
1 1/2"	\$39.70
2"	\$114.70
3"	\$282.20
4"	\$855.50
6"	\$1,737.50
Variable Charge	Unit Rate
1 hcf	\$3.95
Casitas Standby Fee	
Per Meter	\$3.37
Casitas Surcharge	
1 hcf	\$1.00

Proposed Rates

Meter Charge					
Meter Size	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
5/8"	\$43.33	\$47.66	\$52.43	\$57.67	\$60.55
3/4"	\$64.39	\$70.83	\$77.91	\$85.70	\$89.99
1"	\$106.48	\$117.13	\$128.84	\$141.72	\$148.81
1 1/2"	\$211.72	\$232.89	\$256.18	\$281.80	\$295.89
2"	\$338.00	\$371.80	\$408.98	\$449.88	\$472.37
3"	\$737.87	\$811.66	\$892.83	\$982.11	\$1,031.22
4"	\$1,327.19	\$1,459.91	\$1,605.90	\$1,766.49	\$1,854.81
6"	\$2,737.32	\$3,011.05	\$3,312.16	\$3,643.38	\$3,825.55
Variable Charge	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1 hcf	\$4.70	\$5.17	\$5.69	\$6.26	\$6.57

Simplify Rates:

- Remove Standby Fee
- Remove Surcharge
- Include only 1 fixed charge category

Proposed rates include only monthly fixed charge based on meter size and variable rate based on use in hundred cubic feet (hcf)

Average 5/8" Meter Monthly Bill Comparison

Based on Average Monthly Water Usage (2025-2026): 14 HCF (Hundred Cubic Feet)

Bill Component	CURRENT RATES		PROPOSED FY 26/27 RATES		CHANGE
	Unit Rate	Amount	Unit Rate	Amount	\$ Change
Monthly Fixed Charge	per dwelling	\$36.00	per meter	\$43.33	\$7.33
Standby (Casitas Connection)	per month	\$3.37	—	\$0.00	-\$3.37
Water Use (14 HCF)	\$3.95/HCF	\$55.30	\$4.70/HCF	\$65.80	\$10.50
Subtotal (Not on CMWD)		\$94.67		\$109.13	\$14.46
Casitas Surcharge*	\$1.00/HCF	\$14.00	Included	\$0.00	-\$14.00
TOTAL (Not on CMWD)		\$94.67		\$109.13	\$14.46
TOTAL (While on CMWD)		\$108.67		\$109.13	\$0.46

**Note: Under proposed rates, Casitas Surcharge is incorporated into the base water rate - no separate charge while on CMWD supply.*

Customer Impact

NOTE: 83% OF MOWD ARE 5/8" METER CUSTOMERS

Average 1" Meter Monthly Bill Comparison

Based on Average Monthly Water Usage (2025-2026): 26 HCF (Hundred Cubic Feet)

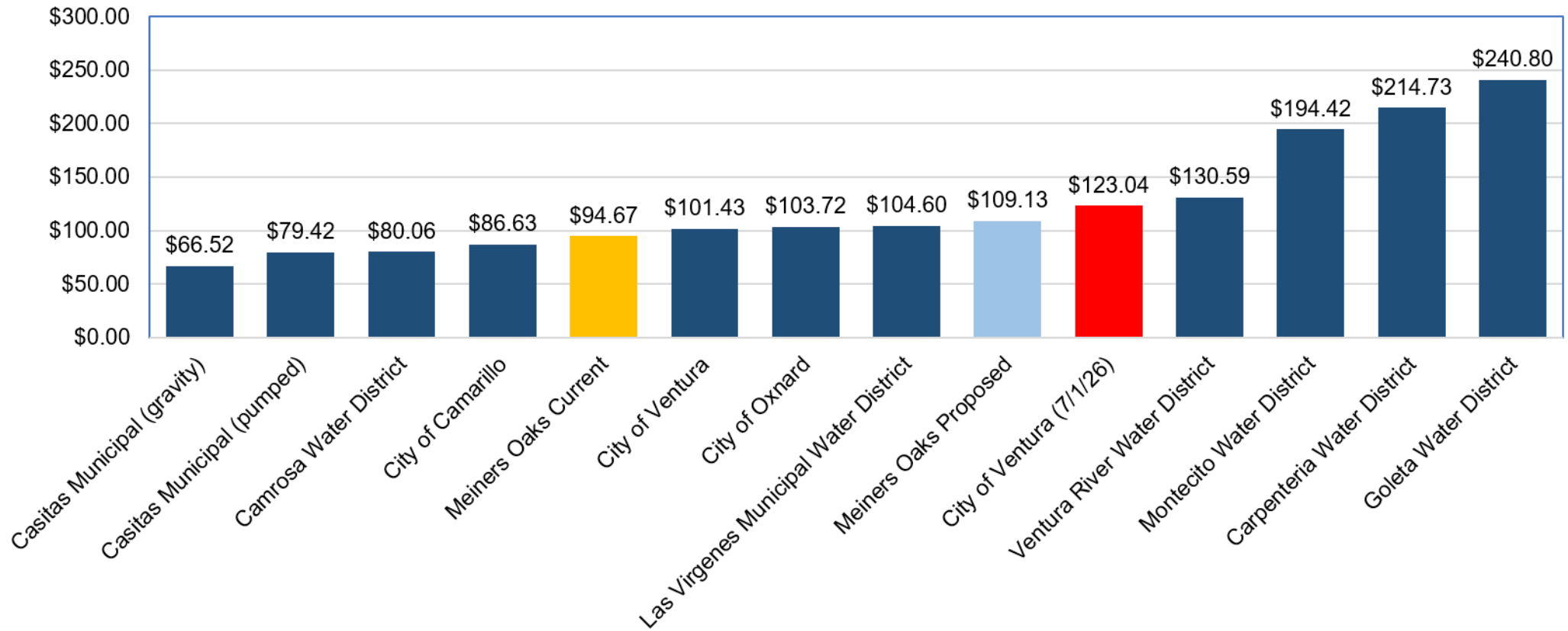
Bill Component	CURRENT RATES			PROPOSED FY 26/27 RATES		CHANGE
	Unit Rate	Amount		Unit Rate	Amount	\$ Change
Monthly Fixed Charge	per dwelling	\$36.00		per meter	\$106.48	\$70.48
Standby (Casitas Connection)	per month	\$3.37		—	\$0.00	-\$3.37
Monthly Meter Capacity Charge	per meter	\$17.60		—	\$0.00	-\$17.60
Water Use (26 HCF)	\$3.95/HCF	\$102.70		\$4.70/HCF	\$122.20	\$19.50
Subtotal (Not on CMWD)		\$159.67			\$228.68	\$69.01
Casitas Surcharge*	\$1.00/HCF	\$26.00		Included	\$0.00	-\$26.00
TOTAL (Not on CMWD)		\$159.67			\$228.68	\$69.01
TOTAL (While on CMWD)		\$185.67			\$228.68	\$43.01

**Note: Under proposed rates, Casitas Surcharge is incorporated into the base water rate - no separate charge while on CMWD supply.*

Customer Impact

NOTE: 14% OF MOWD ARE 1" METER CUSTOMERS, OPTIONS FOR DOWNSIZING THE METER WILL BE AVAILABLE AND REVIEWED ON A CASE-BY-CASE BASIS.

Rate Comparison (5/8" Meter – 14 HCF)



Questions?
