

Vandalia Water District Water Supply Notice

March 3, 2025

Over the past five years, the Board has invested a great amount of resources into updated the delivery system, in both capital infrastructure and technology upgrades that have resulted in more efficient operation of the system. As you know, the District is in the second year of implementing increased assessment rates. It has been many years since the water rate has been adjusted (at least 7 -10 years).

In the last three years, due to the technology upgrades, the District's electricity usage has DECREASED by 9.1%. However, the District's SCE bills have INCREASED by nearly doubling in the last five years due to increased SCE rates. In 2024, the power costs represented 47.9% of the District's administration and operational costs. By far the biggest driver in District expenses. In addition, based on SCE filings, the District is anticipating nearly 40% increases in SCE rates over the next five years. These increases were not something that was anticipated when we were going through the assessment increase process.

To combat the increase in power costs, the District is looking into solar projects that would help offset usage and costs. In the mean time the District did an analysis of costs for the next five years in determining the water rate for 2025. The analysis is shown at the bottom of this email. As shown, the District, with anticipated budget and SCE costs over the next five years, needs to collect an average of \$221 per acre foot.

Therefore, at the March Board meeting, the Board set the 2025 rate at \$220 per acre foot. The Board will continue to look for ways to cut the power costs for future budget and water rate considerations.

Sincerely,

Eric Limas

General Manager