**July 2021 PMMWC Newsletter**

[*www.palomarmountainwater.com*](http://www.palomarmountainwater.com)

Despite the pandemic we have been able to fulfill all of the obligations of the water company.

Our major problem has been in-person meetings. The Board met electronically when we had business to conduct.

**The 2021 Annual Meeting on Labor Day September 5th at 10:00 AM. We do not have a meeting place for this year’s meeting and so the meeting will be held electronically and will be informational only. If you wish to participate, please call refer to the instruction included with this packet.**

**If you would like a copy of the 2021 fiscal year financials Linda Thorne after August 15th, 2021.**

We have two new replacement Board members [replacing Bonnie Beckman and Walt Johnston]. Both new members are relatively new to the mountain and live on the mountain full time. New members are Grayson Yeager and Diana Forero-Cook.

**Information**

All of our filings [S1, Electronic Annual Report, and the consumer confidence report] have been completed for the year. All water testing is current. Please check our website www. palomarmountainwater.com for additional information.

**Increase in fixed water fees.**

*The Palomar Mountain Mutual Water Company, Inc. is not for profit mutual water company. This means that shareholders [members] own the assets and the financial responsibilities of the company.*

This letter is to inform you that we must increase water rates and will explain the reasons for this necessity. The increase will start in January 2022. The last time we raised rates was in 2014.

We have two main sources of income, the January bill which is a “fixed rate” that all members pay and is determined by how many shares the member owns and whether or not they have a water meter. All members are billed in January even if they do not have a meter and use no water. This is for their “right to have water”. The second main source of income is for water use bills. The meters are read around June 1 of each year.

All water utility companies have both fixed rates and water use rates [see comparison below].

Next year we will be increasing our fixed rates, but the water use rates will remain the same. We find this increase necessary for several reasons. For the past few years, our income has been less than our expenditures and this has been increasing yearly. We have been using some of the money from our Special Assessment funds. The special assessment went into our reserve account for major emergencies. *See Jan 2022 rates and fees included with this newsletter.*

We cannot continue to do this because it is necessary for us to keep enough funds in our reserve account [$200K] for major problems and repairs. We also have greatly increasing State and County fees, insurance costs, Electrical and other utility costs and etc. We also need to give our employees, especially our operator, a raise. The general expenses are running costs and need to be paid by income and not by reserve funds.

For comparison we have included data from other water companies around us. Our current water prices are low companied to other companies. Even after the increase in January fees we will still be reasonably priced.

See also the following summary of the income and expenses for the last 5 years, the new fixed rates and the 2021

budget.

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| **Comparison of Water Rates and Fees** | For 45,000 gallons/ year water usage |  |  |
|  |  |  |  |  |  | *most of our members do not use nearly this much water* |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  | total |  |  |  |
|  |  |  | Rates | fees |  | water | fees |  | cost per year  |  |  |
|  |  |  | per 1K g | per month | per 45K g. | per year |  | for 45K gallons |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rincon Del Diablo Municipal |  $ 7.63  |  $ 38.30  |  |  $ 343.00  |  $ 460.00  |  |  $ 803.00  |  |  |  |
| Pine Hills Mutual |  |  $ 5.37  |  $ 69.25  |  |  $ 242.00  |  $ 828.00  |  |  $ 1,070.00  |  | Mutual |  |
| Fallbrook PUD |  |  $ 6.83  |  $ 53.42  |  |  $ 307.00  |  $ 642.02  |  |  $ 949.02  |  |  |  |
| Ramona Municipal |  |  $ 8.57  |  $ 38.47  |  |  $ 386.00  |  $ 416.64  |  |  $ 802.64  |  |  |  |
| Rainbow Municipal |  |  $ 3.89  |  $ 67.09  |  |  $ 175.00  |  $ 804.00  |  |  $ 979.00  |  |  |  |
| San Diego PUD |  |  $ 7.02  |  $ 26.30  |  |  $ 316.00  |  $ 315.60  |  |  $ 631.60  |  |  |  |
| Escondido Municipal |  $ 6.22  |  $ 38.30  |  |  $ 279.00  |  $ 429.60  |  |  $ 708.60  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| PMMWC | 2014-2021 |  $ 6.50  |  $ 25.00  |   |  **$ 292.00**  |  $ 300.00  |   |  $ 592.00  |  | Mutual |  |
|   | **2022** |  |  **$ 6.50**  | **$37.50**  |  |  **$ 292.00**  |  **$ 450.00**  |  |  **$ 742.00**  |  |  |  |
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| **5- year financial summary in dollars**  |  |  | Numbers below are in dollars |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ***Income includes late fees, share transfer fees, water use and January bills*** |  |  |  |  |  |
| ***Expenses do not include installation and purchase of tanks***  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Basic running of the company** |  |  |  |  |  | Expected  |  |  |
|  |  |  |  |  |  |  |  |  |
|  | **For fiscal year** |  | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** | **projected** |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  Income  |  |  93,273  |  91,921  |  87,327  |  99,096  |  83,333  |  **90,000**  |  117,272  |  |  |
|  |  Expenses  |  |  75,468  |  75,366  |  90,109  |  100,023  |  115,143  |  **119,390**  | 119,390 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Checking Acc.** | **77,262** | **102,500** | **46,616** | **53,917** | **32,897** | **3,501** | **383** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | The checking account includes some special assessment funds in 2016 and 2017 |  |  |  |
|  | and expenses for tank purchase and installation in 2018 and 2019. |  |  |  |  |

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