



WHAT FACTORS LED TO THE CURRENT RATE INCREASE?

The U.S. economy negatively impacts our operating budgets.

Increases in Water Company road fees and water memberships are caused by inflation's part in raising prices and decreasing purchasing power:

1. **Cost of Goods and Services:** Inflation leads to an increase in the cost of goods and services for businesses. We pay more for raw materials, labor, utilities, transportation, insurance, and other operational expenses.
2. **Budget Constraints:** Due to inflation, our expenses are increasing at a faster rate than our revenue. This financial pressure has made it challenging to maintain the same level of services without adjusting membership dues or fees.
3. **Necessity of Dues Increase:** It's important that we clarify: a dues increase is a necessary response to inflation in order to cover the rising costs of running the organization.

WHY NOW?

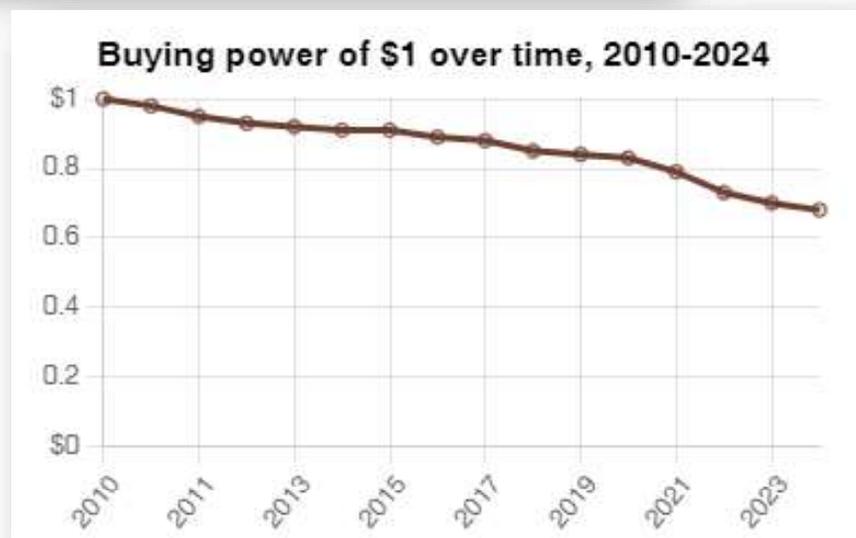
According to the U.S. Bureau of Labor Statistics, the core inflation rate soared by 6.6% over the same period, marking the largest rate uptick in four decades.

California's inflation rate is 4.12%. According to the California Legislative Analyst's Office, prices have increased by about 20% since 2020. Between January 2020 and June 2023, prices increased by 17.9%.

THE VALUE OF \$1 FROM 2010 TO 2024

The inflation rate in 2010 was 1.64%. The current inflation rate compared to last year is now 3.15%. According to the Bureau of Labor Statistics¹ consumer price index [CPI], **a dollar today only buys 70.423% of what it could buy back then.**

Initial value	Equivalent value
\$1 dollar in 2010	\$1.42 dollars today
\$5 dollars in 2010	\$7.12 dollars today
\$10 dollars in 2010	\$14.23 dollars today
\$50 dollars in 2010	\$71.16 dollars today
\$100 dollars in 2010	\$142.31 dollars today
\$500 dollars in 2010	\$711.57 dollars today
\$1,000 dollars in 2010	\$1,423.15 dollars today



How bad is inflation in California?

How bad is inflation for California? We're already paying more than 35% premium to live here. Apart from Hawaii, many studies rank California as first or second among states with the highest cost of living, with housing being a major factor. Jan 11, 2024.

¹ The Bureau of Labor Statistics publishes the CPI monthly, which reflects changes in the cost of living in the U.S.