



November 24, 2015 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Resource Conservation & Public Outreach

Subject : Policy for Water Budget Adjustments: Adoption

SUMMARY:

A key element of budget-based rates is the use of adjustments to address specific customer needs and recognize that unplanned water use can arise from time-to-time. The proposed Policy for Water Budget Adjustments (Attachment A) sets the framework for adjusting water budgets due to changes in the number of residents and irrigated area, medical needs, livestock and filling of swimming pools. The policy proposes an approach that is basic, practical and easy to implement. Staff verified that the adjustment policies and procedures are comparable to those used by other agencies with budget-based rates. A Comparison of Water Budget Adjustment Programs (Attachment B), as currently implemented by other agencies, is provided for reference.

Additionally, it is appropriate to update the District's current Leak Adjustment Policy, incorporating a revised version into the proposed policy, because accidental water loss will likely trigger high water rates and possibly penalties. Compared to the current policy that provides a one-billing period adjustment every ten years for single-family residential customers only, staff proposes expanded eligibility for all customer classes, resetting every three years. Instead of the District absorbing the cost of half the water lost, up to a maximum of \$1,500, staff proposes that the customer be required to pay for the water at the lowest tier rate, including any applicable elevation charges. Staff also proposes that any penalty charges incurred be waived, provided the required supporting documentation is submitted.

Upon adoption and with input from the Board, staff proposes to develop internal administrative procedures to implement the policy.

RECOMMENDATION(S):

Adopt the proposed Policy for Water Budget Adjustments.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

GOALS:

Provide Excellent Service That Exceeds Customer Expectations

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ATTACHMENTS:

[Attachment A - Proposed Policy for Water Budget Adjustments](#)

[Attachment B - Comparison of Water Budget Adjustment Programs](#)

Attachment A - Proposed Policy for Water Budget Adjustments

Policy Statement: The District recognizes that for some customers, additional water needs, over and above established indoor and outdoor water budgets, may be necessary to safeguard public health and safety, maintain the community's standards to the greatest extent possible and acknowledge circumstances beyond the reasonable control of the customer. A water budget adjustment may be administratively approved for the following:

1. Change in the number of residents

An adjustment of 55 gallons per person per day will be provided for each additional person in a residential account, subject to a corresponding adjustment in sanitation service charges. Proof of residency documentation is required which may be in the form of a birth certificate, school records or registration, a blank check with pre-printed name and address, income tax return, driver's license, lease agreement, etc. The minimum length of adjustment for non-permanent residents will be three full billing periods. Likewise, customers must inform the District when there is a reduction in the number of residents so that the indoor water budget can be adjusted, along with the sanitation charges.

2. Increase in landscaped area

The outdoor water budget will be adjusted to accommodate newly landscaped areas in accordance with the State Model Water Efficient Landscaping Ordinance. The reference evapotranspiration (ET_o) adjustment factor for these additional areas is as follows:

- 55% for residential projects

- 45% for non-residential projects

- 100% for public use areas

- 100% for areas irrigated with recycled water

A 20% temporary increase in the outdoor water budget is available for two billing periods to establish new landscaping.

3. Medical needs

The indoor water budget may be adjusted for the use of prescribed medical equipment and/or medical treatment or therapy due to a physical condition. Verifiable documentation must be provided. Water needs may be adjusted based on the care provider's recommendation on a case-by-case basis.

4. Filling of swimming pools

The outdoor water budget may be adjusted once every five years to refill pools to address water quality issues, perform maintenance or implement structural repairs. Supporting documentation from a pool contractor, receipts of work and a site visit by the District may be required.

5. Livestock

Horses and other livestock are eligible for an adjustment of up to 30 gallons per animal per day. The number of animals is subject to the maximum allowed per acre in accordance with local zoning regulations. Barns, stables and corrals are eligible for an adjustment as irrigated areas. Adjustment for other animals may be made based on the area where they are kept. Domestic house pets such as dogs and cats are not eligible for adjustments.

6. Leak adjustment

A one-billing period leak adjustment is available for all customers who exceed their water budget by over 150% every three years. Mechanical breakdown and broken pipes may be eligible for the adjustment provided the customer submits proof that the problem has been corrected. The proof may take the form of a licensed plumber/contractor's invoice or repair parts receipts. Photo documentation of the repair is recommended but not required. A site visit by the District may be required.

Commodity charges for water use over 150% will be re-billed using the lowest tier cost for each customer class and the difference credited to the account. Elevation charges still apply. Penalties incurred during the billing period when the leak occurred will be waived.

Attachment B – Comparison of Water Budget Adjustment Programs

| NUMBER OF RESIDENTS | | | | |
|--|--|---|--|---|
| East Valley Water District | Irvine Ranch Water District | Moulton Niguel Water District | Palmdale Water District | Western Municipal Water District |
| Requires a list of the full name of each resident and birth date | <p>Defaults: Detached homes = 4 Condos = 3 Apartments = 2</p> <p>Requires birth certificates, school records, blank checks with pre-printed name and address</p> <p>Renewal is required every year</p> | <p>Defaults: Single family = 4 Condos = 3 Apartments = 2</p> <p>Requires birth certificates, school records, blank checks with pre-printed name and address, income tax return, driver's license, or lease agreement</p> <p>Annual verification is required</p> | <p>Default = 4</p> <p>Requires copy of last year's income tax return (first page only, listing dependents), CA driver's license, USPS change of address form, lease agreement, voided blank checks with pre-printed name and address</p> <p>Children: Birth certificate, current year student ID or current year report card</p> | Application form indicates additional information may be required to verify the request |

| LANDSCAPED AREA | | | | |
|--|--|---|---|--|
| East Valley Water District | Irvine Ranch Water District | Moulton Niguel Water District | Palmdale Water District | Western Municipal Water District |
| <p>Requires additional square footage in the application only</p> <p>Landscape establishment period to be provided by customer</p> | Requires a sketch showing the area of the landscape including dimensions | Requires a site drawing or MNWD performs a site measurement | No information available on the website | Requires additional square footage in the application only |

| MEDICAL NEEDS | | | | |
|--|--|---|--|--|
| East Valley Water District | Irvine Ranch Water District | Moulton Niguel Water District | Palmdale Water District | Western Municipal Water District |
| <p>Information needed for number of baths/toilet flushes/showers/laundry loads per week</p> <p>Business license required for child/elder care facility</p> | <p>Business license required for child/elder care facility</p> | <p>Verifiable medical documentation required, case-by-case basis. Doctor's note explaining the medical equipment and water need</p> <p>Business license required for child/elder care facility; one hcf/person/month for a less than 24-hr care facility; 60 gallons/person/day for 24-hr care facility</p> | <p>Verifiable medical documentation required</p> <p>Business license required for child/elder care facility; 500 gallons/child/month and 1,000 gallons/adult/month added to water budget</p> | <p>Allowed for prescribed medical equipment or medical necessity; verifiable medical documentation required</p> <p>Business license required for child/elder care facility</p> |

| POOLS | | | | |
|---|---|--|---|---|
| East Valley Water District | Irvine Ranch Water District | Moulton Niguel Water District | Palmdale Water District | Western Municipal Water District |
| Refill allowed once every 5 years at Tier 2 or newly-installed Note: EVWD has 3 tiers 1. Indoor 2. Outdoor 3. Inefficient | No information available on the website | Once every 5 years due to water quality maintenance, equipment or plaster repair | No information available on the website | No information available on the website |

| LIVESTOCK | | | | |
|---|---|--|---|---|
| East Valley Water District | Irvine Ranch Water District | Moulton Niguel Water District | Palmdale Water District | Western Municipal Water District |
| No. of horses required in the adjustment form | No information available on the website | Indoor budget adjusted for livestock weighing over 100 lbs; 15 gallons per animal over 100 lbs limited by city ordinance | No information available on the website | Horses subject to maximum allowed per acre. Total area of barn, stable, corral and/or pasture where horses are kept eligible as irrigated area |

| LEAK ADJUSTMENT | | | | |
|---|--|---|---|--|
| East Valley Water District | Irvine Ranch Water District | Moulton Niguel Water District | Palmdale Water District | Western Municipal Water District |
| <p>Allowed once in any 12 consecutive months</p> <p>Receipts required</p> <p>Tier 3 usage recalculated at Tier 2</p> <p>Note: EVWD has 3 tiers:</p> <ol style="list-style-type: none"> 1. Indoor 2. Outdoor 3. Inefficient | <p>No information available on the website</p> | <p>Must contact MNWD within 30 days</p> <p>Adjustment provided as credit only</p> <p>Maximum 3 adjustments per year</p> | <p>Every 12 revolving months</p> <p>Applied to commodity charge only; volume must be at least 50% more than seasonal usage; recalculate usage at tiers 5 & 6 only to tier 2 rate; receipts required</p> <p>Application must be submitted within 90 days of bill in question; repair must be completed within 60 days</p> <p>Adjustment limited to 2 consecutive billing periods; inspection may be required</p> <p>Note: PWD has 6 tiers:</p> <ol style="list-style-type: none"> 1. Essential 2. Efficient 3. 101%-130% of Efficient 4. 131%-160% of Efficient 5. 161%-190% of Efficient 6. 191%+ | <p>No information available on the website</p> |