

# What you need to know about tiered rates

*The Coachella Valley Water District's main motivation in pursuing tiered rates is to promote conservation. Other water districts that have adopted water budget-based tiered rates have experienced 22% to 37% water savings.*

## What are tiered rates?

Tiered rates are a structure in which customers are charged varying rates based on their amount of usage as a means of encouraging responsible water use.

## What is a water budget based structure?

A water budget based system is designed to encourage conservation and efficient irrigation. Your individualized “water budget” is the amount of water you are expected to need for a specific month based on various characteristics. Since most of the water used by a Coachella Valley household is used for outdoor landscaping, weather and irrigation needs contribute more significantly to calculating your water budget than any other factors.

## How are water budgets determined?

Water budgets will represent an approximate amount of water each customer should need. Calculating a customer's water budget will be based on number of people in the home, lot size, weather and irrigation data. Since 70-80 percent of the water used in the desert is for outdoor irrigation, the water budget focuses heavily on weather and irrigation data, allowing more water in the hot summer months.

More specifically, a water budget for single-family homes makes several assumptions:

- Everyone will be given a default indoor water use of 10 Ccf per month, equal to 250 gallons per day. This is more water than the average needs of a family of four, based on industry standards.
- It will be assumed that everyone irrigates 45 percent of their lot (with a maximum cap at 1/2 acre).
- Recognizing no irrigation system is perfect, the landscaping and irrigation defaults will allow for some water loss.
- Weather data will be factored daily based on observed readings.

Water budgets for irrigation accounts will be based on the same outdoor guidelines for residential customers. There will not be an indoor water use allotment.

## How will the rate structure look?

CVWD is looking at a five-tier structure that starts with a discounted, indoor allotment rate based on the average amount of water a family needs for indoor use. All residential customers will be charged the discounted rate for water use within this tier. Approximately 70 percent of our current residential customers will fall within the first two tiers, thereby receiving a lower water bill than they are receiving now. For water use beyond your water budget, you will pay a higher rate. The exact rates for the higher tiers have not yet been set, pending a consultant analysis and community feedback.

For dedicated landscape irrigation accounts, because there is no indoor water use, there will not be a discounted indoor allotment rate. All the other tiers will be the same.

## What if I think my water budget is unfair?

For any customer who thinks their extenuating circumstances require a higher water budget, CVWD will be happy to re-evaluate your water needs and adjust your budget as appropriate.

**The public is invited to learn more about tiered rates at two upcoming meetings:**

**When:** Monday, Nov. 24, 3 p.m.

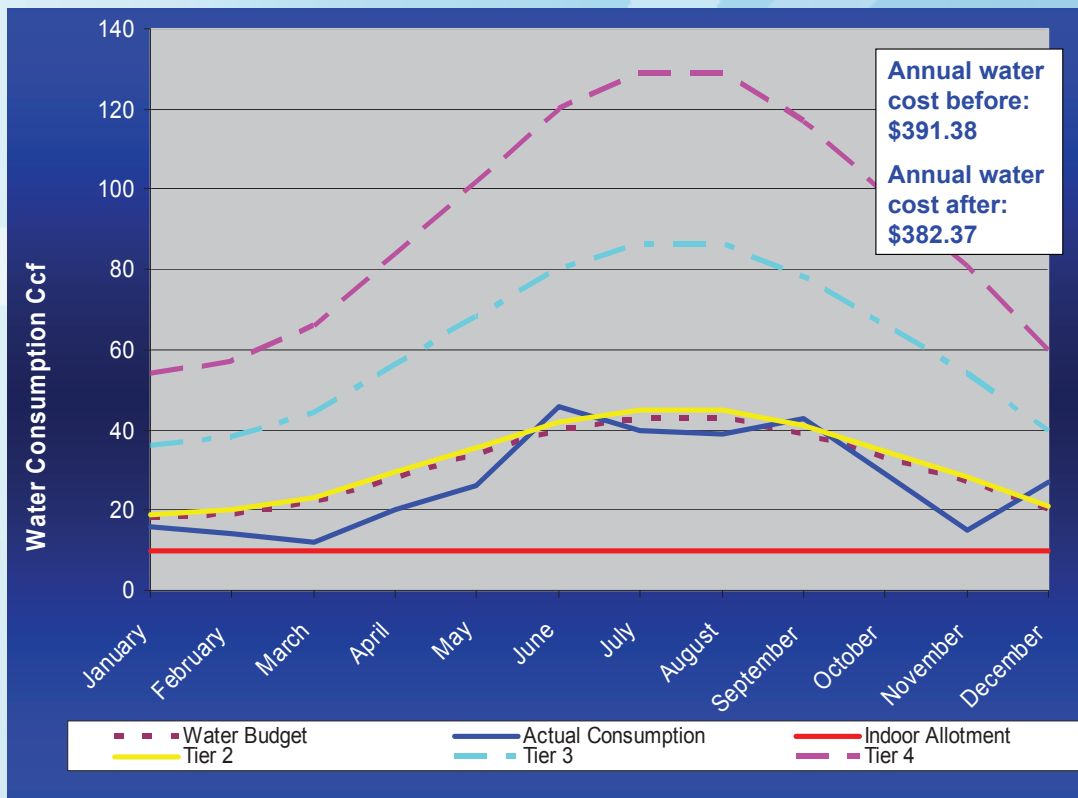
**Where:** Palm Desert City Council Chambers,  
73-510 Fred Waring Drive

**When:** Tuesday, Nov. 25, 6 p.m.

**Where:** CVWD office,  
85-995 Avenue 52, Coachella

## How much water can I use before my bill goes up?

Water use within your budget is charged the same base rate that's in place today, but water use within the indoor allotment tier is offered at a discount, so if your water use falls within your water budget, you will be paying less than before. If only a few units of water fall into the third tier, the discount from the first tier will balance it out and result in either a lower or equivalent bill. Only if your water use is consistently in the third or higher tiers will your bill go up.



### EXAMPLE:

- 8,200 square-foot lot
- Grass in front yard
- Pool and desert landscaping in back yard
- Smart Controller
- Two adults and teenager living at home

The water budgets are based on lot size, landscaped area and weather conditions to provide enough water for healthy landscapes year-round. Homeowners who irrigate efficiently, such as adjusting sprinkler times with the seasons, will easily meet their water budgets.

## How can I reduce my water usage?

There are a number of ways to reduce water use and the most effective are centered around landscape irrigation. It may be hard to believe, but 70-80% of an average family's water use goes outside the home.

- Customers who participate in the Residential Smart Controller program save an average 26% on their water bill simply by allowing the controller to cut back water use in the cooler months, when the plants need less water.
- If you like adjusting your own controller, please do so monthly. Landscape's summer water needs are drastically different in the desert than others times of the year.
- Plants and shrubs on a drip irrigation system use significantly less water than a spray or rotor sprinkler needed for grass. Consider replacing at least a portion of your grass with beautiful desert landscaping.
- Visit [www.cvwd.org](http://www.cvwd.org) to order a copy of *Lush & Efficient Landscape Gardening in the Coachella Valley* for landscape conversion tips and information on hundreds of plants and shrubs.

## When will tiered rates go into effect?

District staff is still studying proposed rate structures and implementation procedures, as well as soliciting feedback from the community. The new structure could go into effect as early as March 2009.

## Will tiered rates be for all customers?

Yes. The first phase of the implementation will include single-family homes and dedicated landscape irrigation accounts (such as used by cities and schools), which account for 85 percent of our customers. Other classes of customers, including apartment buildings, hotels/motels and restaurants, will be phased in at a later date.