

Proposed Five-Year Rate Change for Potable Water, Recycled Water and Sanitation Services

October 7, 2015

Agoura Hills-Calabasas
Community Center



Tonight's Agenda

Objective:

To inform our customers about changes to the rate structure for potable water, recycled water and sanitation service charges and how that may impact their bill.

Schedule:

Presentation	6:30 – 7:15
Q & A	7:15 – 7:45
Individual Consultations	7:45 – 8:00



WHAT'S THE VALUE OF WATER?

There are nearly 400,000 house fires in the U.S. each year, and water that flows from hydrants is our best defense.

Most of us never think about how water gets to us. Luckily, we don't have to. Pumps, treatment plants, and pipes bring us clean water and carry away wastewater. All day, every day.

But our water systems are aging. They need investment to continue delivering life's most essential resource.

Water—Essential. Reliable. Invaluable.

Learn how water works for you. Visit TheValueofWater.org.

#ValueWater

Value of Water
COALITION

Presented in cooperation with the Value of Water coalition

~ \$2 / day / household

~ \$0.004 / gallon

Las Virgenes Municipal Water District
www.LVMWD.com

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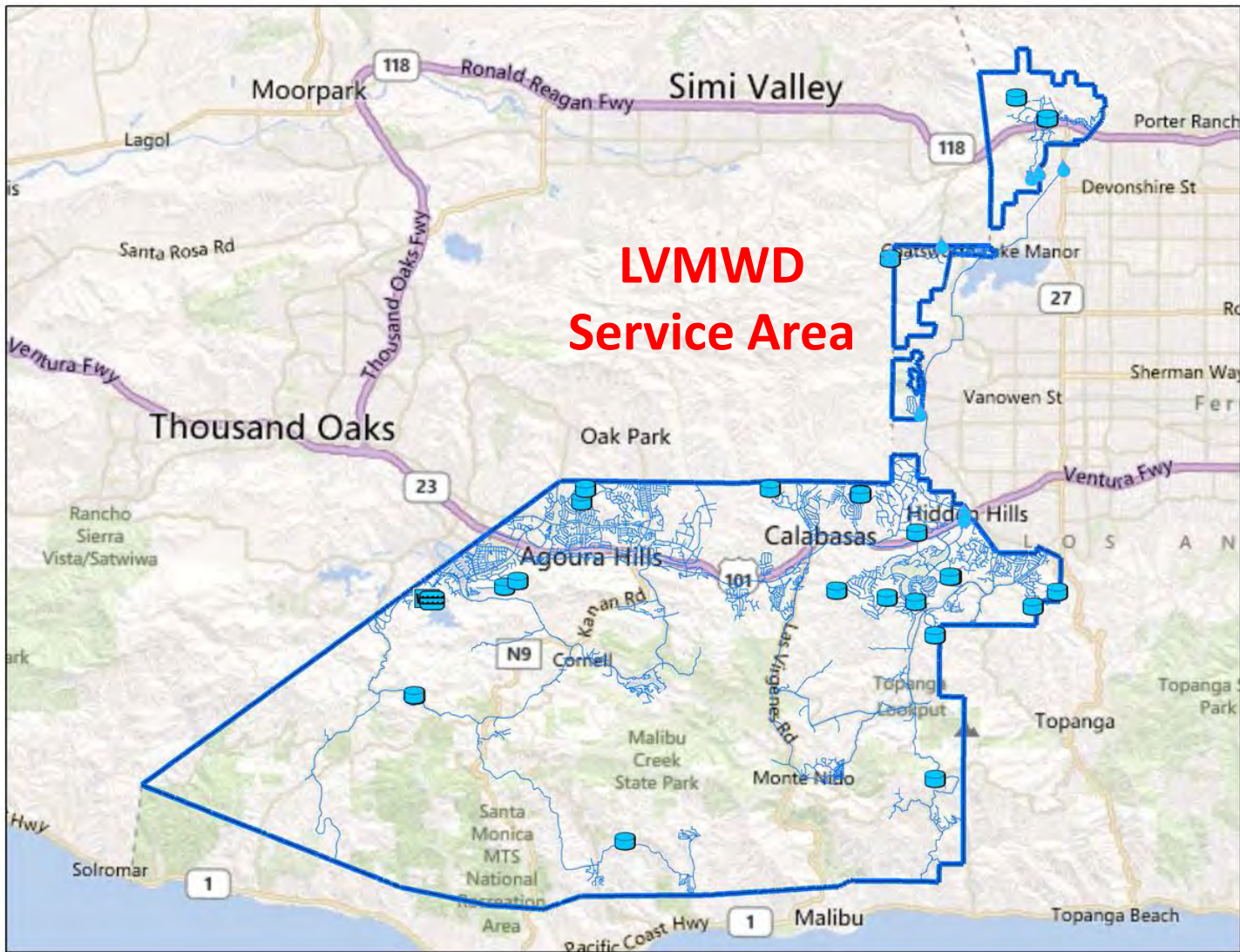
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WHAT'S THE VALUE OF WATER?



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potable water...wastewater treatment...recycled water...composting...

wastewater treatment...recycled water...composting...potable water...composting...

potable water...wastewater treatment...recycled water...composting...potable water...

wastewater treatment...recycled water...composting...potable water...

Mission Statement



DEDICATED TO PROVIDING QUALITY WATER AND WASTEWATER SERVICES

We Value...

- Customer Service
- Fiscal Responsibility
- Our Employees
- Reliable Infrastructure
- Community Involvement
- Environmental Stewardship
- Vision and Innovation



LVMWD Services

Provide reliable and high quality-

- Potable water service
- Wastewater treatment
- Recycled water service
- Biosolids composting



Guiding Principles for Rate Setting

- Rate structure must be fair and equitable.
- Provide revenue and rate stability for LVMWD.
- Price structure set to drive efficiency ethic.
- Minimize impacts to efficient customers.
- Comply with Proposition 218.



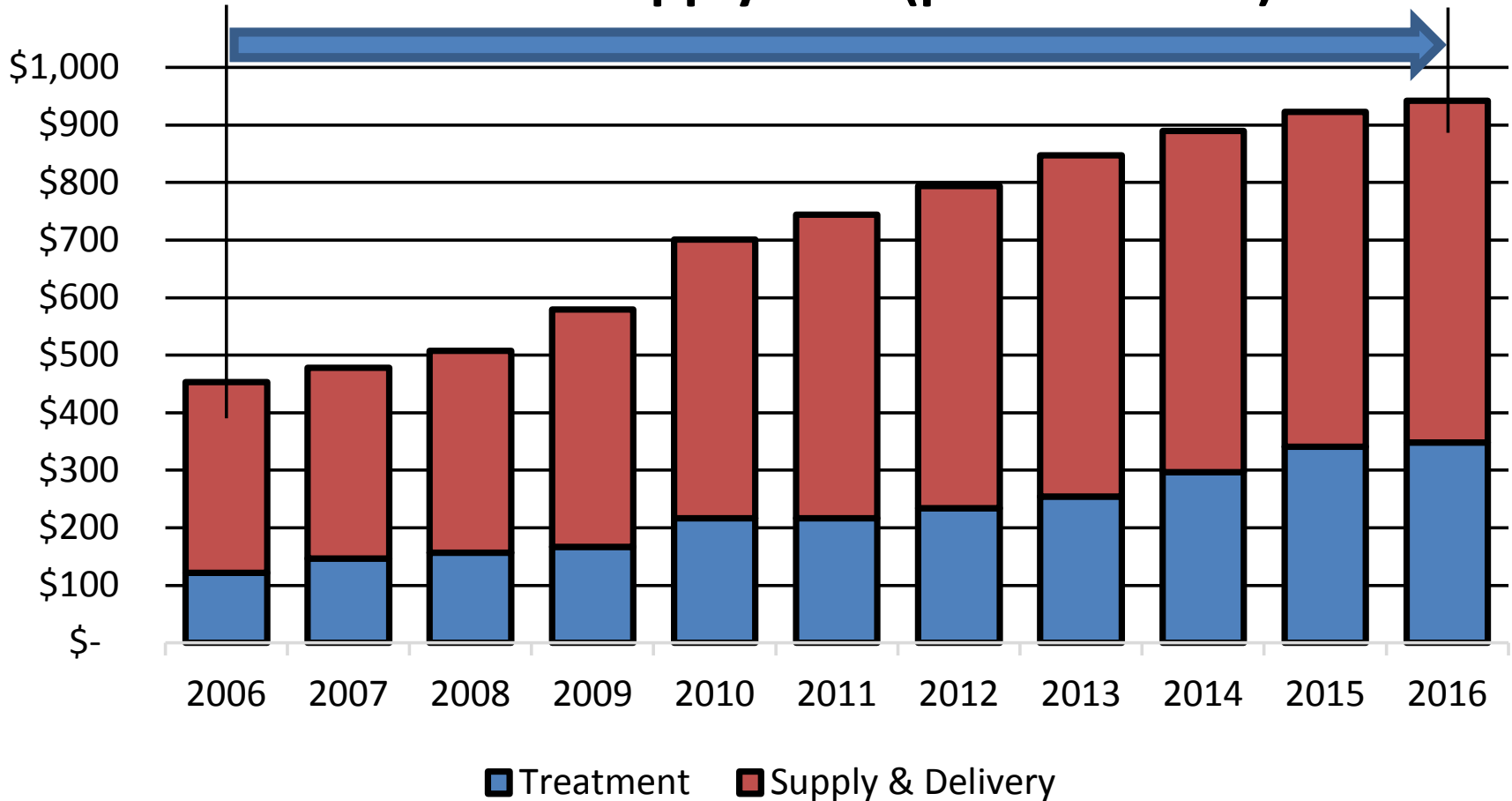
Drivers for Rate Increases

- Meet current and projected costs of operating and maintaining reliable potable water, recycled water and sanitation systems.
- Construct, repair, replace and upgrade existing potable water, recycled water and sanitation systems.
- Comply with regulatory requirements.

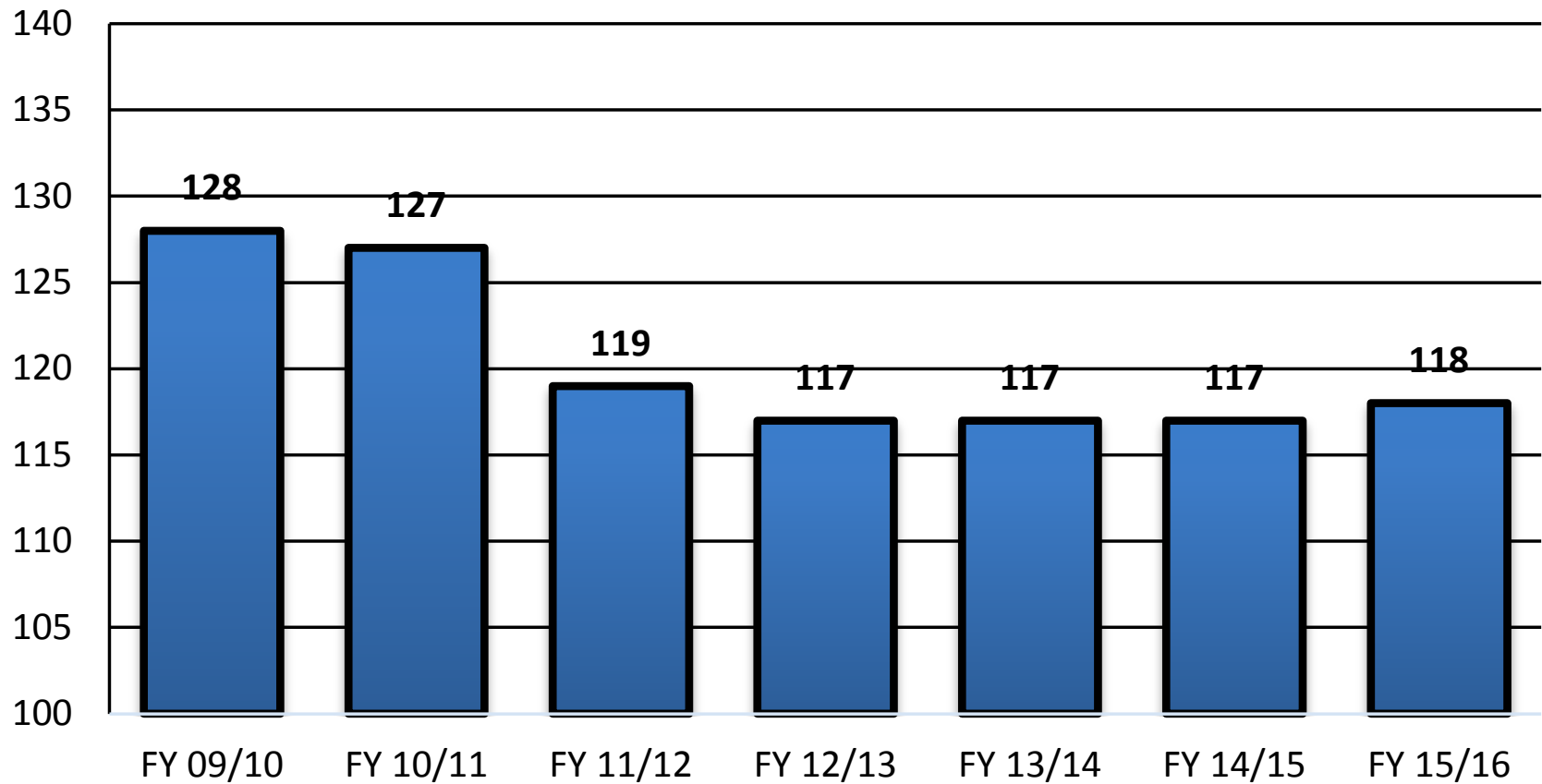


MWD Water Supply Cost (per acre-foot)

208%



Number of Employees

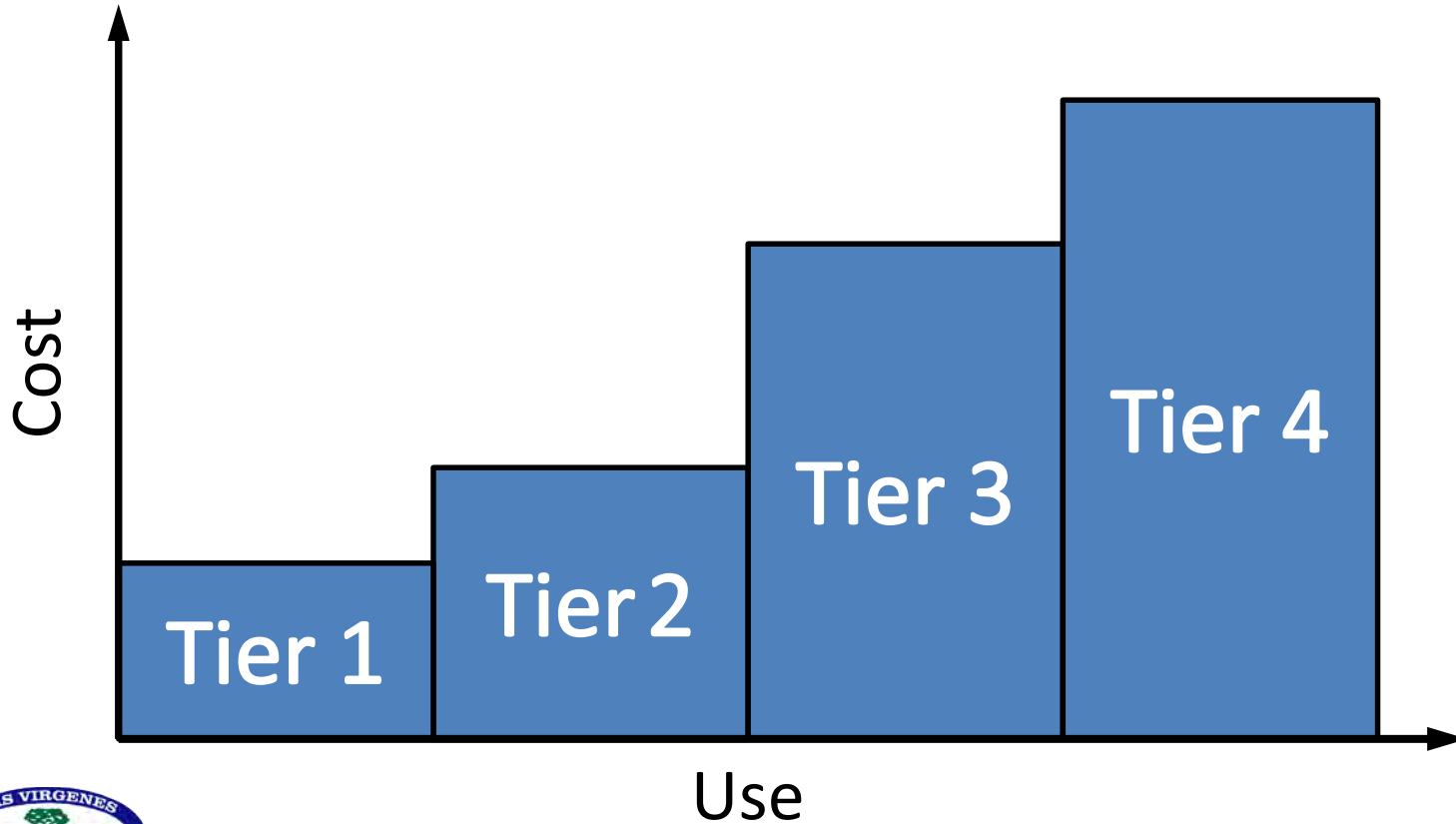


A Transparent Process

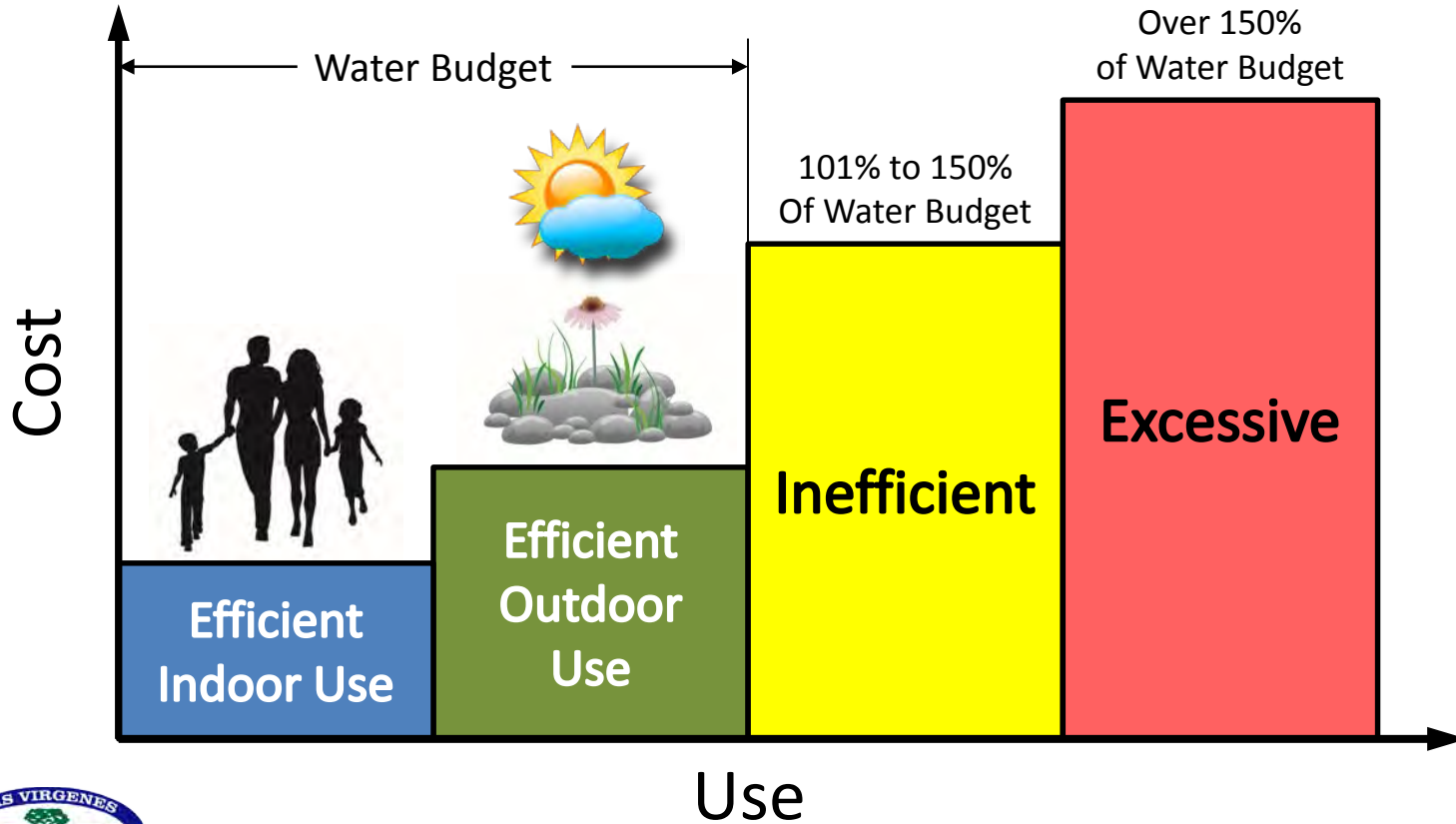
- Public meetings
- Public workshops
- Outreach to cities, HOAs & community groups
- Direct mail to all customers
- Public Hearing on October 26, 2015



Existing Tiered Rates



Water Budgets



Wasteful Usage Penalties

Resolution No. 2468 established an administrative penalty structure for “wasteful” use that is more than 200% of a customer’s water budget.

1. 1st offense – written warning
2. 2nd offense – penalty of \$2.50 per unit of water
3. 3rd+ offense(s) – penalty of \$5.00 per unit of water



Water Budgets

“Right-Sizing” Water Use for
Each LVMWD Residential Customer

WATER BUDGET =



Indoor
(people)



Outdoor
(landscape)



Adjustment
(elderly care, horses, etc.)



High Resolution Aerial Image



Landcover Area and Percentage

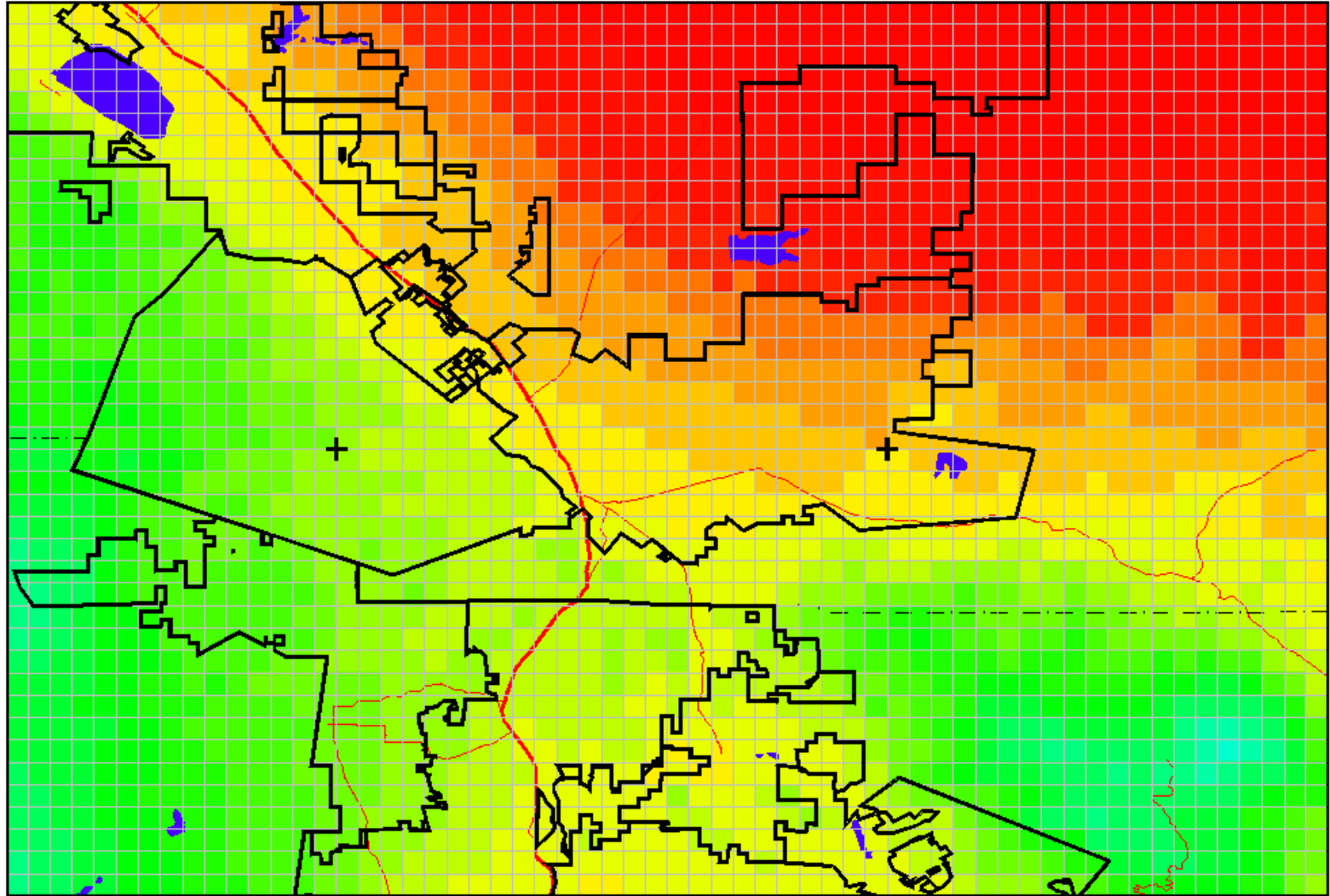


APN	CLASS	AREA	%
7126411	grass	503.00	13.80
7126411	impervious	2604.02	71.46
7126411	trees/bushes	537.01	14.74
7126409	impervious	3384.00	78.33
7126409	grass	843.00	19.50
7126409	trees/bushes	93.00	2.17



117°15'00"

117°00'00"



33°30'00"

117°15'00"

117°00'00"

Water Budgets

- Encourage efficient water use using State standards
 - SB 7x-7 (2009)
 - AB 1331 (2013)
- Comply with 20% x 2020 mandate
- Promote equity during water shortages
- Enhance revenue and rate stability
- Successful track record to achieve water use reduction
 - Received over \$400,000 in State grant funding to implement



Potable Water Charges

- “Readiness to serve” charge increased to recover more fixed costs.
- Commodity charges reflect costs of importing, treating and delivering water.
- Elevation charges reflect increased cost of pumping to higher locations.
- Higher tiers reflect cost created by those users.



Potable Water Readiness to Serve Charge

POTABLE WATER - READINESS TO SERVE CHARGE (MONTHLY)

Meter Size	Current	Proposed				
		2016	2017	2018	2019	2020
3/4"	\$15.87	\$18.30	\$21.73	\$25.43	\$29.42	\$33.72
3/4" x 1"	\$15.87	\$18.30	\$21.73	\$25.43	\$29.42	\$33.72
1"	\$23.36	\$29.47	\$35.14	\$41.25	\$47.87	\$54.97
1-1/2"	\$42.09	\$57.39	\$68.65	\$80.80	\$93.95	\$108.07
2"	\$64.83	\$90.89	\$108.86	\$128.26	\$149.25	\$171.80
3"	\$124.45	\$196.97	\$236.20	\$278.55	\$324.37	\$373.61
4"	\$192.17	\$353.30	\$423.85	\$500.02	\$582.43	\$671.00
6"	\$379.13	\$894.89	\$1,073.94	\$1,267.29	\$1,476.47	\$1,701.28
8"	\$604.29	\$1,564.89	\$1,878.17	\$2,216.48	\$2,582.49	\$2,975.84
10"	\$866.49	\$2,346.55	\$2,816.44	\$3,323.86	\$3,872.84	\$4,462.83

Readiness to serve charge for a temporary meter is 1.5 times the charge above.

Potable Water Commodity Charge

SINGLE- / MULTI-FAMILY RESIDENTIAL - COMMODITY CHARGE

Current		Proposed					
Tier	Charge	Tier	2016	2017	2018	2019	2020
Tier 1	\$2.31	Efficient Indoor	\$2.36	\$2.43	\$2.51	\$2.58	\$2.66
Tier 2	\$2.80	Efficient Outdoor	\$3.18	\$3.21	\$3.24	\$3.28	\$3.31
Tier 3	\$3.81	Inefficient	\$3.96	\$3.97	\$3.98	\$4.00	\$4.01
Tier 4	\$5.34	Excessive	\$4.98	\$4.99	\$5.00	\$5.01	\$5.03

Commodity charge for a temporary meter is 1.5 times the Excessive tier rate.



Potable Water Elevation Charge Table

POTABLE WATER - ELEVATION CHARGE						
Zone	Current	Proposed				
		2016	2017	2018	2019	2020
Zone 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Zone 2	\$0.42	\$0.42	\$0.44	\$0.46	\$0.49	\$0.52
Zone 3	\$0.74	\$0.98	\$1.03	\$1.08	\$1.13	\$1.19
Zone 4	\$1.28	\$1.56	\$1.64	\$1.72	\$1.80	\$1.89

Elevation charge for a temporary meter is 1.5 times the zone charge.

The elevation charge is determined by the highest zone to which the water is pumped prior to reaching the customer.

Zone 5 has been consolidated into Zone 3.



Recycled Water

- Water budget structure proposed to promote efficient use
- “Readiness to serve” charge added to enhance revenue stability



Recycled Water Readiness to Serve Charge

RECYCLED WATER - READINESS TO SERVE CHARGE (MONTHLY)

Meter Size	Current	Proposed				
		2016	2017	2018	2019	2020
3/4"	\$0.00	\$9.15	\$13.04	\$19.08	\$25.01	\$33.72
3/4" x 1"	\$0.00	\$9.15	\$13.04	\$19.08	\$25.01	\$33.72
1"	\$0.00	\$14.74	\$21.09	\$30.94	\$40.69	\$54.97
1-1/2"	\$0.00	\$28.70	\$41.19	\$60.60	\$79.86	\$108.07
2"	\$0.00	\$45.45	\$65.32	\$96.20	\$126.87	\$171.80
3"	\$0.00	\$98.49	\$141.72	\$208.92	\$275.72	\$373.61
4"	\$0.00	\$176.65	\$254.31	\$375.02	\$495.07	\$671.00
6"	\$0.00	\$447.45	\$644.37	\$950.47	\$1,255.00	\$1,701.28
8"	\$0.00	\$782.45	\$1,126.91	\$1,662.36	\$2,195.12	\$2,975.84
10"	\$0.00	\$1,173.28	\$1,689.87	\$2,492.90	\$3,291.92	\$4,462.83

Recycled Water Commodity Charge

All charges are \$/hcf; hcf is hundred cubic feet = 748 gallons.

RECYCLED WATER - COMMODITY CHARGE

Current		Proposed					
Tier	Charge	Tier	2016	2017	2018	2019	2020
Tier 1	\$1.09	Efficient Outdoor	\$1.18	\$1.19	\$1.19	\$1.18	\$1.16
Tier 2	\$1.42	Inefficient	\$2.91	\$2.83	\$2.67	\$2.52	\$2.27
Tier 3	\$2.26	Excessive	\$3.73	\$3.67	\$3.52	\$3.37	\$3.13
Tier 4	\$3.51						

Commodity charge for a temporary meter is 1.5 times Excessive tier rate.



Recycled Water Elevation Charge

All charges are \$/hcf; hcf is hundred cubic feet = 748 gallons.

RECYCLED WATER - ELEVATION CHARGE						
Zone	Current	Proposed				
		2016	2017	2018	2019	2020
Las Virgenes Valley	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
East/West	\$0.24	\$0.33	\$0.34	\$0.35	\$0.36	\$0.37

Elevation charge for a temporary meter is 1.5 times the zone charge.



Sanitation Rates

- A “per-person” rate structure adopted for all residential customers.
- Maximum charge is for a household of 6 people.
- Some households will see a decrease.
- Sanitation rates assume a “reasonable” NPDES permit for Tapia Water Reclamation Facility.



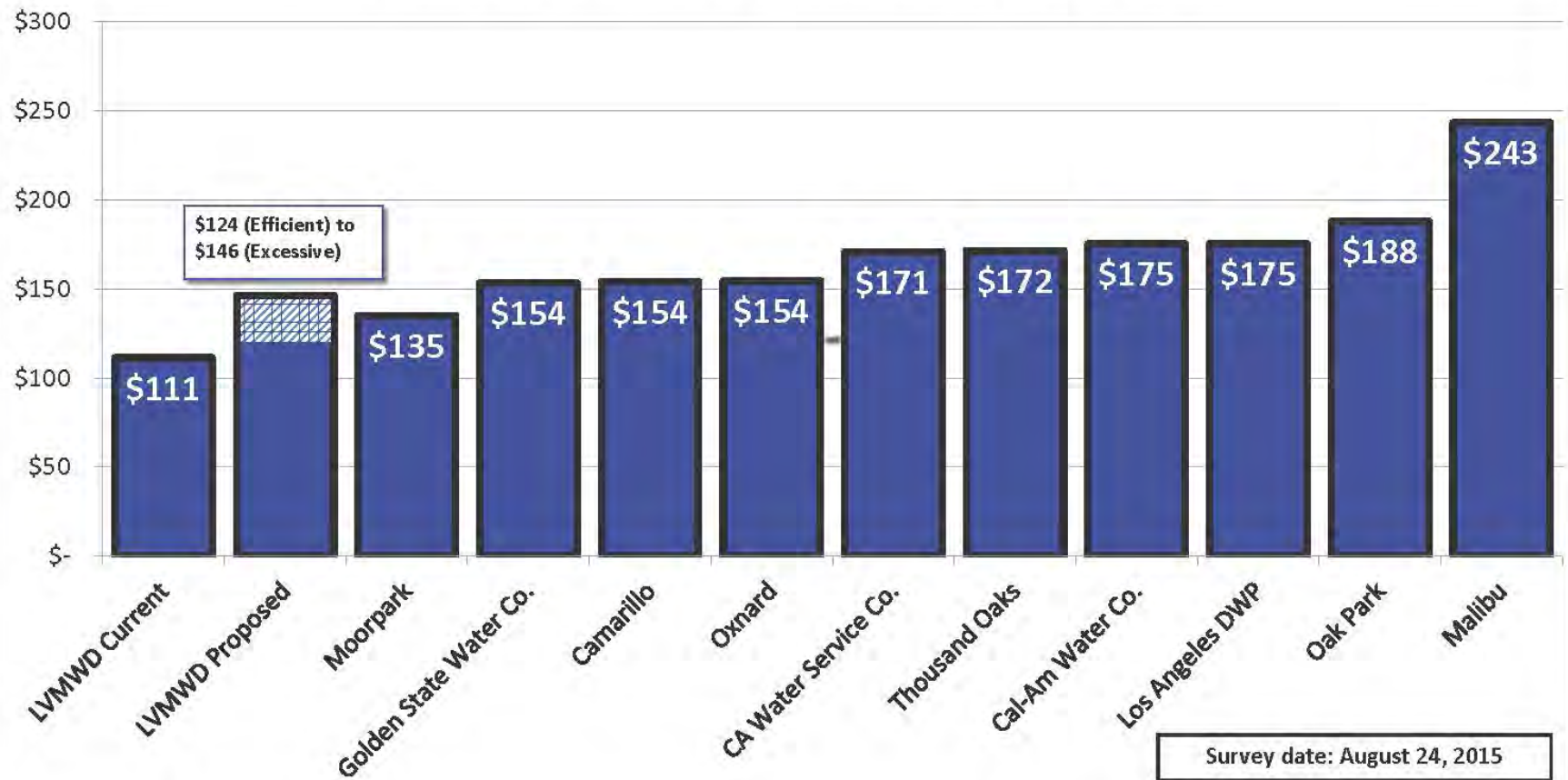
Residential Sanitation Charge

SANITATION CHARGE (MONTHLY)

Current Rates			Proposed Rates							
	Winter Water Use (hcf)	Monthly Charge	Household Size	Flow (hcf)	Monthly Charge					
					2016	2017	2018	2019	2020	
Single-Family	5 or less	\$37.90								
	5.5	\$40.82								
	6	\$43.73	1	2.2	\$21.37	\$21.82	\$22.27	\$22.73	\$23.19	
	6.5	\$46.64	2	4.4	\$35.75	\$36.51	\$37.27	\$38.04	\$38.81	
	7	\$49.55	3	6.6	\$50.13	\$51.20	\$52.27	\$53.35	\$54.43	
	7.5	\$52.46	4	8.8	\$64.51	\$65.89	\$67.27	\$68.66	\$70.05	
	8 or more	\$55.37	5	11.0	\$78.90	\$80.58	\$82.27	\$83.97	\$85.66	
				6 or more	13.2	\$93.28	\$95.27	\$97.27	\$99.28	\$101.28
Multi-Family	Per Dwelling Unit	Monthly Charge								
	Flat rate	\$34.99								

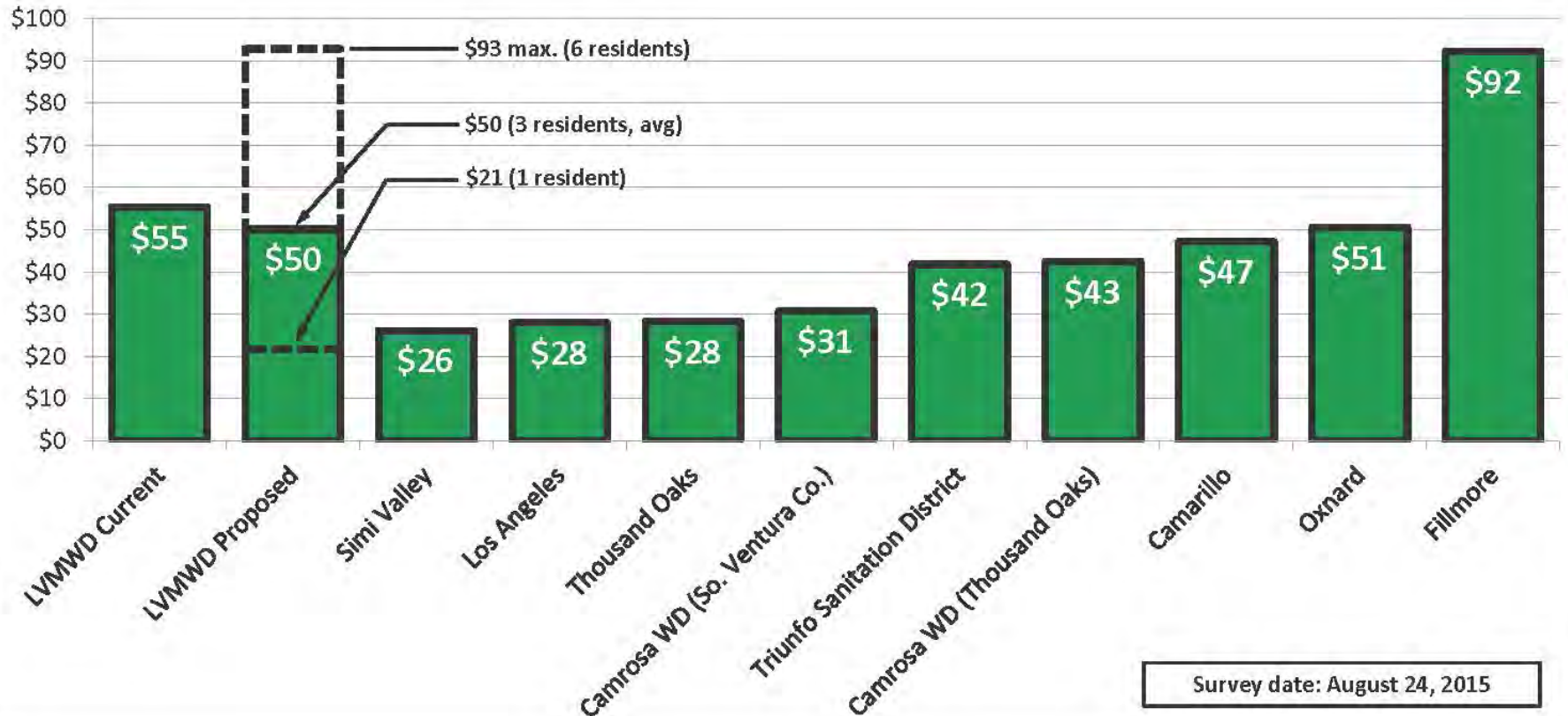
Effects on a Typical Customer Water Rates

Proposed Water Rates Comparison with Other Agencies
(Based on LVMWD average water use = 35 hcf/month)

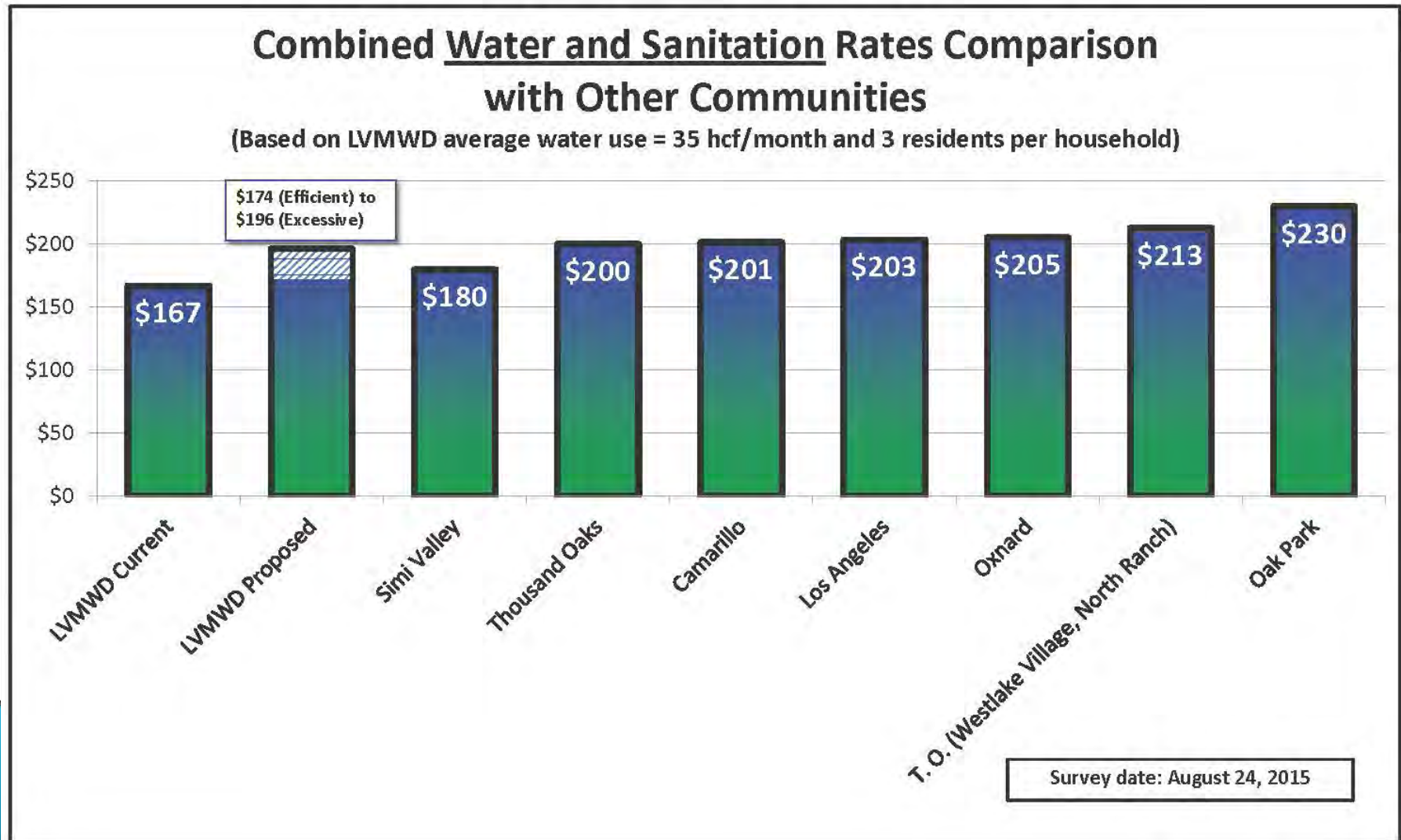


Effects on Typical Customer Sanitation Rates

Proposed Sanitation Rates Comparison with Other Agencies
(Based on LVMWD average = 3 residents per household)



Effects on a Typical Customer Combined Water & Sanitation



Estimated Monthly Water Budget and Bill For Single Family Residential Customers

To estimate your water budget, please enter the following information:

Number of people that live in your home	
Square feet of irrigated area	

From a previous bill, please enter the following:

1. Select the Type of Bill, Monthly or Bi-monthly	Bi-monthly
2. Select the Billing Month (ex. Jan)	Aug
3. Select the Meter Size	3/4" x 1"
4. Total Water Usage (HCF*)	
5. Elevation Zone Number (if any)	
6. Sanitation Winter Average Usage (HCF)	

Estimated Monthly Water Budget for Aug 2016

Water Usage Entered (1/2 if a Bi-monthly Bill)	0
ETO for Aug (inches)	6.25
Indoor Budget (HCF)	0.00
Outdoor Budget (HCF)	0.00
Total Efficient Budget (HCF)	0.00

*HCF is one hundred cubic feet of water, which equals 748 gallons.

If you don't have an elevation zone, enter 1
If you don't have sanitation service, enter 0

Results

Estimated Current Monthly Bill

	HCF Use	Cost
Tier 1	0.0	\$0.00
Tier 2	0.0	\$0.00
Tier 3	0.0	\$0.00
Tier 4	0.0	\$0.00
	Water	\$0.00
	Elevation	\$0.00
	Readiness to Serve	\$15.87
	Sanitation Charge	\$0.00
Total		\$15.87

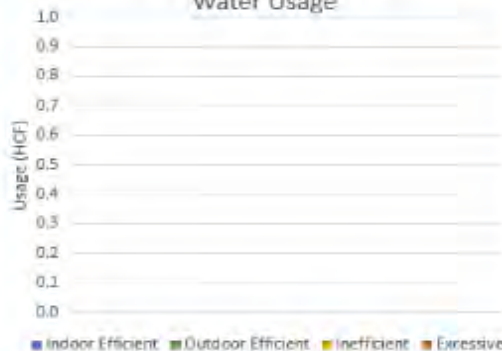
Estimated 2016 Monthly Bill

	HCF Use	Cost
Indoor Efficient	0.00	\$0.00
Outdoor Efficient	0.00	\$0.00
Inefficient	0.00	\$0.00
Excessive	0.00	\$0.00
	Water	\$0.00
	Elevation	\$0.00
	Readiness to Serve	\$18.30
	Sanitation Charge	\$0.00
Total Estimated Bill		\$18.30

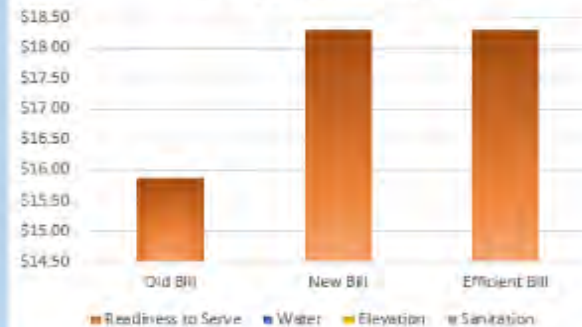
Congratulations for not having any excessive use \$0.00

Congratulations for being water efficient \$0.00

Water Usage



Monthly Bill Comparison



Summary

- Increases have been kept to a minimum
- New structure provides stability for customers and for LVMWD
- Customer has an active role in controlling their individual costs
- ***Even with changes, LVMWD continues to be the best value among surrounding agencies***



Questions?

