

LAS VIRGENES MUNICIPAL WATER DISTRICT

2018 Miscellaneous Fees Study

Draft Report / January 14, 2019





January 14, 2019

Ms. Angela Saccareccia
Finance Manager
Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, CA 91302

Subject: Miscellaneous Fees Study

Dear Ms. Saccareccia,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Miscellaneous Fees Study Report (Report) to Las Virgenes Municipal Water District (District). This report details the sound principles and defensible methodologies used to update the District's miscellaneous fees. We are confident that the recommendations and summaries presented in this report will result in fair and equitable fees for the District's customers.

Raftelis worked closely with District staff to develop the recommended fee schedules. Miscellaneous fees were developed based on estimates of direct costs, such as time and materials, and indirect costs, such as overhead. It has been a pleasure working with you, and we thank you and the District staff for the support provided during the course of this study.

Sincerely,
RAFTELIS FINANCIAL CONSULTANTS, INC.

Andrea Boehling
Project Manager

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1. Executive Summary

Las Virgenes Municipal Water District (District) contracted with Raftelis Financial Consultants, Inc. (Raftelis) to conduct a Miscellaneous Fees Study (Study). This report describes the method and approach used to calculate new miscellaneous fees in accordance with the California Government Code and Proposition 26.

For the purpose of this report, the District’s miscellaneous fees are categorized as either penalty fees or user fees. Penalty fees are charged when users violate terms of agreement/service, a law, or other regulations. These fees are intended to not only recover costs, but also change a behavior. User fees, on the other hand, are intended to simply recover the cost of providing a service. The basic concept of user fees is to determine the “reasonable cost” of each service provided by the District. The full cost of providing a service is typically seen as an objective basis for determining the fees, although there may be instances where it is reasonable and prudent to set fees below the full cost. Full cost recovery typically includes:

- Salaries and benefits of staff working directly on the service,
- Departmental costs including supplies, materials, time, mileage, and third-party contract costs,
- Indirect costs or support services

1.1. Existing Miscellaneous Fees

Table 1 and Table 2 summarize the existing miscellaneous fees that are categorized as penalty fees and user fees, respectively. These fees have not been adjusted in recent years and no longer recover the costs incurred to provide the services to customers.

Table 1: Existing Penalty Fees

Fee Description	Existing Penalty Fees
Broken Meter Seal or Lock	\$100
Credit Card Chargeback Fee	\$0
DC Unauthorized Use	\$75
Disconnect Deposit Requirement	\$50
Disconnect Notice (door tag)	\$100
Disconnect/Reconnect Water Service	\$50 / \$75
Illegal Water Consumption	\$200 - \$500
Late Fees	2% of bill balance
Rejected ACH Transaction	\$0
Rejected CC Transaction	\$0
Returned Checks	\$20
Un-Notified Fire Service Testing	\$75

Table 2: Existing User Fees

Fee Description	Existing User Fees
AMR / AMI Opt Out fee	\$25
Backflow Prevention Device Installation	\$50
Backflow Testing	\$0
Board Room Rental (office hours)	\$100
Board Room Rental (after hours)	\$100
Compost Loading Fees	\$8 / cu. yd
Complex Plan Check/ Inspection Installation/New Service	Actual Cost
Fire Flow Certification	\$0
Fire Flow Testing	\$0
Landscape Plan Check	\$500-\$1,000
Re-Inspection of Moved Meter Box	\$40
Service Initiation Fee	\$20
Temporary Meter Deposit	
Up to 2 1/2"	\$500
2 1/2" and Above	\$1,500
Temporary Meter Installation Fee	
3/4" & 1"	\$50
1 1/2" - 4"	\$50
6" - 10"	\$50
Temporary Meter Relocation Fee	\$40
Water Audits	\$0
Water Meter Testing	\$50-\$150

1.2. Proposed Miscellaneous Fees

This Study utilized time and material estimates, salary and benefit information, and indirect overhead costs to determine the adequate fees to cover the costs associated with each service. The proposed fees were determined based on discussions with District staff, research, and policy direction. The proposed penalty fees and user fees are summarized in Table 3 and Table 4, respectively. Each fee is discussed in detail later in the report.

Table 3: Proposed Penalty Fees

Fee Description	Proposed Penalty Fees ¹	
Broken Meter Seal or Lock	\$200	
Credit Card Chargeback Fee	\$30-\$40	\$30 – 1 st occurrence, \$40 – each subsequent occurrence
DC Unauthorized Use	\$2,500-\$10,000	\$2,500 – 1 st occurrence, \$10,000 each subsequent occurrence plus usage billed at highest tier
Disconnect Deposit Requirement	\$100	\$100 – 1 st occurrence, 3 x the average bill – each subsequent occurrence
Disconnect Notice (door tag)	\$100	
Disconnect/Reconnect Water Service	\$100 / \$150	\$100 for standard business hours, \$150 for non-business hours
Illegal Water Consumption	\$2,500-\$10,000	\$2,500 – 1 st occurrence, \$10,000 each subsequent occurrence plus usage billed at highest tier rate
Late Fees	10% of Bill Balance	
Rejected ACH Transaction	\$30-\$40	\$30 – 1 st occurrence, \$40 – each subsequent occurrence
Rejected CC Transaction	\$30-\$40	\$30 – 1 st occurrence, \$40 – each subsequent occurrence
Returned Checks	\$25-\$35	\$25 – 1 st occurrence, \$35 – each subsequent occurrence
Un-Notified Fire Service Testing	\$75	

Table 4: Proposed User Fees²

Fee Description	Proposed User Fees ¹	
AMR / AMI Opt Out fee	\$25	
Backflow Prevention Device Installation	\$65	Not including backflow device
Backflow Testing	\$60	
Board Room Rental (office hours)	\$50	Flat fee, no setup or break down
Board Room Rental (after hours)	\$135	\$135 per hour
Compost Loading Fees	\$8	\$8 per cubic yard
Complex Plan Check/ Inspection Installation/New Service	Actual Cost	Deposit to recover time & materials. Estimate provided by District Staff.
Fire Flow Certification	\$120	
Fire Flow Testing	\$100	Witness of flow test
Landscape Plan Check	\$45	
Re-Inspection of Moved Meter Box	\$100	
Service Initiation Fee	\$50	
Temporary Meter Deposit		
Up to 2 1/2"	\$250	
2 1/2" and Above	\$500	
Temporary Meter Installation Fee		
3/4" & 1"	\$110	
1 1/2" - 4"	\$125	
6" - 10"	\$150	
Temporary Meter Relocation Fee	\$100	
Water Audits	\$0-\$180	1 free every 3 years, \$180 thereafter
Water Meter Testing	\$100	

¹ See Section 4 for details.

² See Section 5 for details.

2. Introduction

The purpose of this report is to develop updated miscellaneous fees for the District. The basic concept of a fee study is to determine the “reasonable cost” of each service provided by the District for which it charges fees. This report documents the data, methodology, and results of the Miscellaneous Fee Study.

2.1. Background

The District’s miscellaneous fees were developed over the course of many years and have not been adjusted annually to keep pace with rising costs. As part of the District’s review of rates and fees, a comprehensive miscellaneous fee update study was undertaken. Raftelis began by reviewing the District’s existing overhead allocation methodology and miscellaneous fees schedule and calculations. The Cost Allocation Plan (CAP) was reviewed and was determined to reasonably distribute overhead costs, such as finance, accounting, administration, and human resources, to the water, wastewater, and recycled water services provided by the District and, additionally, to the Virgenes-Triunfo Joint Powers Authority (JPA). Finally, a Fee Calculator was developed to calculate the fees for specific services, activities, or penalties provided to or charged to the District’s water, wastewater, and recycled water customers.

2.2. Miscellaneous Fees

The basic statutory standards governing miscellaneous fees are embodied by California Government Code Sections 66013, 66016, 66022 and 66023. The Code requires that the District Board adopt fees by either ordinance or resolution and that any fees which exceed the estimated full cost of rendering the related services be approved by a popular vote of two-thirds; as a fee that exceeds the estimated full cost would be considered a tax and not a fee. The fees in this Study either do not exceed the estimated full cost or are considered a penalty and, therefore, are not considered a tax and do not require a popular two-thirds vote³.

The standard fee limitation established in California law for miscellaneous fees is the “estimated, reasonable cost” principle. The total cost of each service included in this analysis is primarily based on the fully burdened hourly rates (FBHR’s) that were determined for District personnel directly involved in providing each service. FBHR’s are then used in conjunction with time, material, travel, and indirect overhead estimates. The calculation of the FBHR’s is discussed further in Section 3.2.

The District’s miscellaneous fees are categorized as either penalty fees or user fees. Penalty fees are charged when users violate terms of agreement/service, a law, or other regulations. User fees are intended to recover the cost of providing a service.

2.3. Existing Fees

As previously described, the existing fees have been categorized as either penalty fees or user fees. Table 5 and Table 6 summarize the existing penalty fees and user fees.

³ Raftelis does not practice law nor does it provide legal advice. The above discussion is to provide a general review of apparent state institutional constraints. The District should consult with its counsel for clarification and/or specific review of any of the above or other matters.

Table 5: Existing Penalty Fees

Fee Description	Existing Penalty Fees
Broken Meter Seal or Lock	\$100
Credit Card Chargeback Fee	\$0
DC Unauthorized Use	\$75
Disconnect Deposit Requirement	\$50
Disconnect Notice (door tag)	\$100
Disconnect/Reconnect Water Service	\$50 / \$75
Illegal Water Consumption	\$200 - \$500
Late Fees	2% of bill balance
Rejected ACH Transaction	\$0
Rejected CC Transaction	\$0
Returned Checks	\$20
Un-Notified Fire Service Testing	\$75

Table 6: Existing User Fees

Fee Description	Existing User Fees
AMR / AMI Opt Out fee	\$25
Backflow Prevention Device Installation	\$50
Backflow Testing	\$0
Board Room Rental (office hours)	\$100
Board Room Rental (after hours)	\$100
Compost Loading Fees	\$8 / cu. yd
Complex Plan Check/ Inspection Installation/New Service	Actual Cost
Fire Flow Certification	\$0
Fire Flow Testing	\$0
Landscape Plan Check	\$500-\$1,000
Re-Inspection of Moved Meter Box	\$40
Service Initiation Fee	\$20
Temporary Meter Deposit	
Up to 2 1/2"	\$500
2 1/2" and Above	\$1,500
Temporary Meter Installation Fee	
3/4" & 1"	\$50
1 1/2" - 4"	\$50
6" - 10"	\$50
Temporary Meter Relocation Fee	\$40
Water Audits	\$0
Water Meter Testing	\$50-\$150

3. Miscellaneous Fee Calculations

Miscellaneous fees are necessary to ensure that customers are compensating the District for the cost of various services they are provided that are customer-specific and which are not recovered from rates. The miscellaneous fees that have been updated include penalty fees and user fees and are discussed in Sections 4 and 5, respectively. The proposed miscellaneous fees are calculated based on full cost recovery assumptions and includes: allocated overhead costs, salaries and benefits of staff directly working on the service, and departmental costs such as supplies, materials, and mileage. The following sections describe how these components were determined.

3.1. Overhead Rate

In addition to recovering the direct cost of labor and materials associated with processing and administering miscellaneous fees, it is common for agencies to recover support costs. Support costs are those costs relating to central service providers such as: the general manager, human resources, information systems, finance and accounting, and administration. These central services costs are detailed in the District’s cost allocation plan and represent services provided by other employees whose primary function is to support other District Staff and the operating departments. The overhead rate was calculated using the Fiscal Year 2018 budget. Central service costs were identified and divided by the total salaries and benefits to arrive at the general overhead rate of 36% show in Table 7. A table summarizing the central service providers and their costs can be found in Appendix A – Exhibit A.

Table 7: Overhead Rate Calculation

Overhead Rate Calculation	
Total Central Service Costs	\$6,851,245
Total Salaries & Benefits	\$19,269,049
Overhead Rate (%)	36%

3.2. Fully Burdened Hourly Rate

The fully burdened hourly rate is the cost to employ District personnel including wages, taxes, benefits, and supplies. The 36% overhead rate shown in Table 7 is the amount ascribable for departmental support and supervision and is also included in the FBHR’s. The FBHR’s are calculated based on an assumption of productive hours for full and part-time employees. Productive hours are those hours where staff have the potential to work on fee-related activities or functions and take into account non-productive hours such as holidays, paid time-off, and training. The number of assumed productive hours for full-time employees is 1,900 per year. The first step in calculating the FBHR is to take the total yearly salaries and benefits for an employee and add the 36% overhead rate. Next the full costs including the overhead is divided by the assumed productive hours to determine the FBHR. A table summarizing the FBHR by job title can be found in Appendix A – Exhibit B. The total cost of each service included in this analysis is primarily based on the FBHR’s that were determined for District personnel directly involved in providing each service. If more than one employee holds the same job title, the average of the FBHR for that job title was used in the fee calculation.

3.3. Other Considerations

Other costs included in this analysis are time, travel costs, and materials. Direct labor costs were determined by multiplying the FBHR by the estimated hours of labor for each position or employee that works on the service. District staff were consulted to determine the average time needed to complete the service for each penalty or user fee calculated in the following sections. Travel costs were calculated by multiplying the average round-trip distance of 16 miles by the mileage rate of \$0.545 as determined by the California Department of Human Resources for 2018. Travel costs help recover the costs of operating a standard vehicle. Material costs include estimated office supplies, meters, etc. These costs may vary by the size of the meter.

4. Penalty Fee Calculations

Penalty fees are charged when users violate terms of agreement/service, a law, or other regulations. These fees are intended to not only recover costs, but also change a behavior. These penalty fees have a clear trigger and, according to Proposition 26, do not require a nexus linking the costs of providing the service and the fee. The Board may set all penalty fees, except where limitations are noted.

4.1. Broken Meter Seal or Lock Fee

The broken meter seal or lock fee is charged when a customer breaks a lock to gain water service after disconnection. This fee recovers the cost of District’s staff time, traveling to and from the site, minimal materials costs to replace the lock, and an additional \$80 fee to deter customers from vandalizing and stealing District property and resources. Table 8 summarizes the determination of the Direct Labor costs and Table 9 summarizes the total fee calculation. The proposed fee of \$200 has been rounded to the nearest whole dollar for ease of administration.

Table 8: Broken Meter Seal or Lock Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Field Customer Service Representative II	\$90.91	1.00	\$90.91
Total			\$90.91

Table 9: Broken Meter Seal or Lock Fee

Fee Calculation	Broken Meter Seal or Lock Fee
Direct Labor (Table 8)	\$90.91
Travel (16 miles x \$0.545)	\$8.72
Materials	\$20.00
District Policy	\$80.00
Total	\$199.63
Proposed Fee	\$200.00

4.2. Credit Card Chargeback Fee

The credit card chargeback fee is charged when a customer disputes a credit card charge. The proposed fee of \$30 is for the first occurrence and subsequent occurrences will incur a fee of \$40. Table 10 summarizes the fee based on the occurrence.

Table 10: Credit Card Chargeback Fee

Fee Calculation	Credit Card Chargeback Fee
Proposed Fee (1st occurrence)	\$30.00
Proposed Fee (subsequent occurrences)	\$40.00

4.3. DC Unauthorized Use Fee

The DC unauthorized use fee is charged when theft of water through a fire service connection occurs. Theft of this nature creates substantial interruptions and additional work for District staff. For this reason, the District desires to eliminate and deter theft of this nature. The proposed fee is \$2,500 for the first occurrence and \$10,000 for subsequent occurrences. In addition to the penalty, the water used will be billed at the highest tiered rate. Table 11 summarizes the fee by occurrence.

Table 11: DC Unauthorized Use Fee

Fee Calculation	DC Unauthorized Use Fee
Proposed Fee (1st occurrence)	\$2,500 + Usage @ Highest Tier Rate
Proposed Fee (subsequent occurrence)	\$10,000 + Usage @ Highest Tier Rate

4.4. Disconnect Deposit Requirement

The disconnect deposit requirement is the deposit required after service has been disconnected due to non-payment, returned checks, or credit card chargebacks. This fee is proposed to be \$100 for the first occurrence. Subsequent occurrences will incur a fee of up to three times the average water bill. Table 12 summarizes the proposed fee by occurrence.

Table 12: Disconnect Deposit Requirement

Fee Calculation	Disconnect Deposit Requirement
Proposed Fee (1st occurrence)	\$100.00
Proposed Fee (subsequent occurrence)	3x Average Bill

4.5. Disconnect Notice Fee (Door Tag)

The disconnect notice (door tag) is the fee charged to notify customers that service will be disconnected due to non-payment, returned checks, or credit card chargebacks. This fee is proposed to be set at \$100 as shown in Table 13.

Table 13: Disconnect Notice Fee

Fee Calculation	Disconnect Notice Fee (Door Tag)
Proposed Fee	\$100.00

4.6. Disconnect / Reconnect Water Service Fee

The disconnect/reconnect water service is the fee charged to disconnect or reconnect water service due to non-payment, returned checks, or credit card chargebacks. The proposed fee of \$100 is for disconnect/reconnect services rendered during business hours. For disconnect/reconnect services rendered after business hours the fee increase to \$150. Table 14 summarizes the fee based on the time of the service.

Table 14: Disconnect / Reconnect Water Service Fee

Fee Calculation	Disconnect/Reconnect Water Service Fee
Proposed Fee (business hours)	\$100.00
Proposed Fee (non-business hours)	\$150.00

4.7. Illegal Water Consumption

The illegal water consumption fee is charged when theft of water occurs. The proposed fee has been set at \$2,500 for the first occurrence and subsequent occurrences will incur a fee of \$10,000. In addition to the penalty, the water usage will be billed at the highest tiered rate. Table 15 summarizes the fee by occurrence.

Table 15: Illegal Water Consumption Fee

Fee Calculation	Illegal Water Consumption Fee
Proposed Fee (1st occurrence)	\$2,500 + Usage @ Highest Tier Rate
Proposed Fee (subsequent occurrence)	\$10,000 + Usage @ Highest Tier Rate

4.8. Late Fee

A late fee is charged to customers for making a required payment after the due date. The proposed fee is set at 10% of the bill balance as shown in Table 16. Note this fee will vary by customer based on their outstanding bill.

Table 16: Late Fees

Fee Calculation	Late Fee
Proposed Fee	10% of Bill Balance

4.9. Rejected ACH Transaction Fee

The rejected ACH transaction fee is charged when a bank rejects an ACH transaction. The fees charged to the District vary according to the transaction code. To ease administration, it is recommended the District implement one set fee. The proposed fee is set at \$30 for the first occurrence and \$40 for subsequent occurrences. Table 17 summarizes the fee by occurrence.

Table 17: Rejected ACH Transaction Fee

Fee Calculation	Rejected ACH Transaction Fee
Proposed Fee (1st occurrence)	\$30.00
Proposed Fee (subsequent occurrences)	\$40.00

4.10. Rejected Credit Card Transaction Fee

The rejected credit card transaction penalty fee is charged when a merchant processor rejects a credit card transaction. Similar to the rejected ACH Transaction fee, the proposed fee is \$30 for the first occurrence and subsequent occurrences will incur a fee of \$40. Table 18 summarizes the proposed fee by occurrence.

Table 18: Rejected Credit Card Transaction Fee

Fee Calculation	Rejected Credit Card Transaction Fee
Proposed Fee (1st occurrence)	\$30.00
Proposed Fee (subsequent occurrences)	\$40.00

4.11. Returned Check Fee

The returned check fee is charged when a bank returns a check for non-sufficient funds. This fee has been determined by the California Civil Code. Table 19 summarizes the proposed fee of \$25 for the first occurrence and \$35 for subsequent occurrences.

Table 19: Returned Check Fee

Fee Calculation	Returned Check Fee
Proposed Fee (1st occurrence)	\$25.00
Proposed Fee (subsequent occurrences)	\$35.00

4.12. Un-Notified Fire Service Testing Fee

The un-notified fire service testing fee is charged when a customer conducts fire service testing without notification to the District. This fee recovers the cost of District’s staff time researching and contacting the customer and includes a penalty fee of \$30. Table 20 summarizes the determination of the Direct Labor costs and Table 21 summarizes the total fee calculation. The proposed fee of \$75 has been rounded to the nearest whole dollar for ease of administration.

Table 20: Un-Notified Fire Service Testing Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Customer Service Representative	\$89.97	0.50	\$44.94
Total			\$44.94

Table 21: Un-Notified Fire Service Testing Fee

Fee Calculation	Un-Notified Fire Service Testing Fee
Direct Labor (Table 20)	\$44.94
District Policy	\$30.00
Total	\$74.94
Proposed Fee	\$75.00

5. User Fee Calculations

User fees are intended to recover the cost of providing a service. The basic concept of user fees is to determine the “reasonable cost” of each service provided by the District. The full cost of providing a service is typically seen as an objective basis for determining the fees. Each user fee calculation is discussed in the following subsections.

5.1. AMR/AMI Opt Out Fee

The AMR/AMI Opt Out Fee is for those customers that opt-out of the advanced metering system. These customers will require a manual meter read each billing cycle which will require District staff travel to and from the customers site to read the meter. The estimated cost of this service has been determined in Table 22 and Table 23 . However, based on District Policy, the proposed fee was set at \$25 on May 22, 2012, which is below the fully burdened cost.

Table 22: AMR/AMI Opt Out Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Field Customer Service Representative II	\$90.91	0.50	\$45.45
Total			\$45.45

Table 23 AMR/AMI Opt Out Fee

Fee Calculation	AMR/AMI Opt Out Fee
Direct Labor (Table 22)	\$45.45
Travel (16 miles x \$0.545)	\$8.72
Total	\$54.17
Proposed Fee (Policy Decision)	\$25.00

5.2. Backflow Prevention Device Installation

The backflow prevention installation recovers the cost of District’s staff working with customers, traveling to and from the site to perform installations, and material costs. Table 24 summarizes the determination of the Direct Labor costs and Table 25 summarizes the total fee calculation. The proposed fee of \$65 has been rounded to the nearest whole dollar for ease of administration. This fee does not include the cost of the backflow device itself.

Table 24: Backflow Prevention Device Installation – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Customer Service Program Supervisor	\$125.07	0.25	\$31.27
Total			\$31.27

Table 25: Backflow Prevention Device Installation

Fee Calculation	Backflow Prevention Device Installation
Direct Labor (Table 24)	\$31.27
Travel (16 miles x \$0.545)	\$8.72
Materials (<i>testing fees</i>)	\$25.00
Total	\$64.99
Proposed Fee	\$65.00

5.3. Backflow Testing Fee

The backflow testing fee recovers the cost of District’s staff time and material costs. Table 26 summarizes the determination of the Direct Labor costs and Table 27 summarizes the total fee calculation. The proposed fee of \$60 has been rounded for ease of administration.

Table 26: Backflow Testing Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Customer Service Program Supervisor	\$125.07	0.26	\$32.52
Total			\$32.52

Table 27: Backflow Testing Fee

Fee Calculation	Backflow Testing Fee
Direct Labor (Table 26)	\$32.52
Materials (<i>subcontractor testing</i>)	\$25.00
Total	\$57.52
Proposed Fee	\$60.00

5.4. Board Room Rental Fee (Office Hours)

This fee is charged for rental of the District’s Board Room during office hours. Currently, the District charges a refundable deposit and would like to adjust this fee to align closer to market rates, based on

comparable facilities. Table 28 summarizes the determination of the Direct Labor costs and Table 29 summarizes the total fee calculation. Through discussions and based on policy direction, the proposed fee has been set below the fully burdened cost. Table 29 summarizes the fully burdened fee as well as the proposed fee. A comparison between the proposed fee and comparable room rentals can be found in Appendix B.

Table 28: Board Room Rental – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Customer Service Representative	\$89.87	1.00	\$89.87
Total			\$89.87

Table 29: Board Room Rental (Office Hours) Fee

Fee Calculation	Board Room Rental (Office hours)
Direct Labor (Table 28)	\$89.87
Materials	None
Total	\$89.87
Proposed Fee (Policy Decision)	\$50.00

5.5. Board Room Rental Fee (After Hours)

This fee is charged for rental of the District’s Board Room after office hours. The fee recovers the cost of District’s staff time after hours to clean-up and monitor visitors. Table 30 summarizes the determination of the Direct Labor costs and Table 31 summarizes the total fee calculation. The proposed fee of \$135 has been rounded for ease of administration and is on an hourly basis.

Table 30: Board Room Rental Fee (After Hours) – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Customer Service Representative	\$89.87	1.00	\$89.87
Total			\$89.87

Table 31: Board Room Rental Fee (After Hours)

Line #	Fee Calculation	Board Room Rental Fee (After Hours)
1	Direct Labor (Table 30)	\$89.87
2	Overtime Factor	1.5
3	Total (Line 1 x Line 2)	\$134.81
Proposed Fee		\$135.00 per hour

5.6. Compost Loading Fees

This fee was not evaluated by Raftelis but has been included in the report and fee schedule for completeness. The District sells compost to customers at a discounted price to incentivize or encourage the purchase of the compost. The composting facilities virtually eliminates the District’s need to haul and dispose of waste from the Tapia Water Reclamation Facility. A cost recovery calculation would need to value this avoided cost and additional compliance costs along with the cost of facility. Bulk compost prices typically vary from \$13 per cubic yard to \$35 per cubic yard and the District sells it for \$8 per cubic yard. District staff provided the proposed fee for compost as shown in Table 32 and does not recommend modifying this fee.

Table 32: Compost Loading Fee

Fee Calculation	Compost Loading Fee
Proposed Fee	\$8.00 per cubic yard

5.7. Complex Plan Check / Inspection Installation

This fee is charged for complex plan checks, inspection of installation, and new service. The fee recovers the cost of District’s staff time. Because each plan can differ greatly, this fee is determined on a case-by-case basis. Customers are required to make a deposit, estimated by District Staff, to recover time and materials.

5.8. Fire Flow Certification Fee

This fee is charged for fire flow certification and recovers the cost of District’s staff time and material costs. Table 33 summarizes the determination of the Direct Labor costs and Table 34 summarizes the total fee calculation. The proposed fee of \$120 has been rounded for ease of administration.

Table 33: Fire Flow Certification Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Planning/New Development Technician	\$99.79	0.75	\$74.84
Director of Facilities & Operations	\$243.89	0.10	\$24.39
Principal Engineer	\$185.10	0.10	\$18.51
Total			\$117.74

Table 34: Fire Flow Certification Fee

Fee Calculation	Fire Flow Certification Fee
Direct Labor (Table 33)	\$117.74
Materials	\$2.00
Total	\$119.74
Proposed Fee	\$120.00

5.9. Fire Flow Testing Fee

This fee is charged for fire flow testing and recovers the cost of District’s staff time and traveling to and from the site. Table 35 summarizes the determination of the Direct Labor costs and Table 36 summarizes the total fee calculation. The proposed fee of \$100 has been rounded for ease of administration.

Table 35: Fire Flow Testing Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Field Customer Service Representative II	\$90.91	1.00	\$90.91
Total			\$90.91

Table 36: Fire Flow Testing Fee

Fee Calculation	Fire Flow Testing Fee
Direct Labor (Table 35)	\$90.91
Travel (16 miles x \$0.545)	\$8.72
Total	\$99.63
Proposed Fee	\$100.00

5.10. Landscape Plan Check Fee

This fee is charged for landscape plan check and recovers the cost of District’s staff time. Table 37 summarizes the determination of the Direct Labor costs and the total fee calculation. The proposed fee of \$45 has been rounded for ease of administration.

Table 37: Landscape Plan Check Fee

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Water Conservation Coordinator	\$137.86	0.33	\$45.49
Total			\$45.49
Proposed Fee			\$45.00

5.11. Re-Inspection of Moved Meter Box Fee

This fee is charged for the re-inspection of a moved meter box and recovers the cost of District’s staff time and traveling to and from the site. Table 38 summarizes the determination of the Direct Labor costs and Table 39 summarizes the total fee calculation. The proposed fee of \$100 has been rounded for ease of administration.

Table 38: Re-Inspection of Moved Meter Box Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Field Customer Service Representative II	\$90.91	1.00	\$90.91
Total			\$90.91

Table 39: Re-Inspection of Moved Meter Box Fee

Fee Calculation	Re-Inspection of Moved Meter Box Fee
Direct Labor (Table 38)	\$90.91
Travel (16 miles x \$0.545)	\$8.72
Total	\$99.63
Proposed Fee	\$100.00

5.12. Service Initiation Fee

This fee is charged for initializing new service and at full cost recovery would recover the cost of District’s staff time and traveling to and from the site. Table 40 summarizes the determination of the Direct Labor costs. As shown in column D, to ensure this fee isn’t prohibitive to establishing new service, only 40% of the labor costs were included in the proposed fee. Table 41 summarizes the total fee calculation. The proposed fee of \$50 has been rounded for ease of administration.

Table 40: Service Initiation Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)	Percent Recovery (D)	Recovered Labor Costs (E) = (C x D)
Field Customer Service Representative II	\$90.91	1.00	\$90.91	40%	\$36.36
Customer Service Representative	\$89.87	0.17	\$15.28	40%	\$6.11
Total					\$42.47

Table 41: Service Initiation Fee

Fee Calculation	Service Initiation Fee
Direct Labor (Table 40)	\$42.47
Travel (16 miles x \$0.545)	\$8.72
Total	\$51.19
Proposed Fee	\$50.00

5.13. Temporary Meter Deposit

The temporary meter deposit is the deposit required for a temporary meter. This fee recovers the material costs by meter size as determined by the District. Table 42 summarizes the total fees by meter size.

Table 42: Temporary Meter Deposit

Meter Size	Temporary Meter Deposit
Up to 2 ½"	\$250.00
2 ½" & Above	\$500.00

5.14. Temporary Meter Installation Fee

This fee is charged for the installation of a temporary meter and recovers the cost of District's staff time, traveling to and from the site, and material costs by meter size. Table 43 summarizes the determination of the Direct Labor costs and Table 44 summarizes the base cost determination. Table 45 summarizes the total fee calculation. The proposed fees of \$110, \$125, and \$150 have been rounded for ease of administration.

Table 43: Temporary Meter Installation Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Field Customer Service Representative II	\$90.91	1.00	\$90.91
Total			\$90.91

Table 44: Temporary Meter Installation Fee – Base Cost

Fee Calculation	Temporary Meter Installation Fee
Direct Labor (Table 43)	\$90.91
Travel (16 miles x \$0.545)	\$8.72
Total Base Cost	\$99.63

Table 45: Temporary Meter Installation Fee

Meter Size	Base Cost (A)	Material Cost (B)	Fully-Burdened Cost (C) = (A + B)	Proposed Fee
¾" & 1"	\$99.63	\$10.00	\$109.63	\$110.00
1 ½" to 4"	\$99.63	\$25.00	\$124.63	\$125.00
6" to 10"	\$99.63	\$50.00	\$149.63	\$150.00

5.15. Temporary Meter Relocation Fee

This fee is charged for moving a temporary meter from one location to another and recovers the cost of District's staff time and traveling to and from the site. Table 46 summarizes the determination of the Direct Labor costs and Table 47 summarizes the total fee calculation. The proposed fee of \$100 has been rounded for ease of administration.

Table 46: Temporary Meter Relocation Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Field Customer Service Representative II	\$90.91	1.00	\$90.91
Total			\$90.91

Table 47: Temporary Meter Relocation Fee

Fee Calculation	Temporary Meter Relocation Fee
Direct Labor (Table 46)	\$90.91
Travel (16 miles x \$0.545)	\$8.72
Total	\$99.63
Proposed Fee	\$100.00

5.16. Water Audit Fee

This fee is charged for performing a water audit that aims to inform customers where they may reduce consumption to lower their usage out of higher tiers. Since water audits are a tool to assist customers with reducing their water use, District staff proposes that each customer receive one free water audit every three years. Subsequent water audits will incur a fee to recover the cost of District’s staff time. Table 48 summarizes the determination of the Direct Labor costs and summarizes the total fee calculation. The proposed fee of \$180 has been rounded for ease of administration. District staff propose that the cost of the first water audit be paid for from penalties collected for wasteful water use.

Table 48: Water Audit Fee

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Field Customer Service Representative II	\$90.91	2.00	\$181.81
Total			\$181.81
Proposed Fee (1st occurrence)			\$0.00
Proposed Fee (subsequent occurrence within 3 years)			\$180.00

5.17. Water Meter Testing Fee

This fee is charged for testing of a customer’s water meter, at the customer’s request, and recovers the cost of District’s staff time and traveling to and from the site. Table 49 summarizes the determination of the Direct Labor costs and Table 50 summarizes the total fee calculation. The proposed fee of \$100 has been rounded for ease of administration.

Table 49: Water Meter Testing Fee – Direct Labor Costs

Position	FBHR (\$) (A)	Hours of Labor (B)	Direct Labor Costs (C) = (A x B)
Field Customer Service Representative II	\$90.91	1.00	\$90.91
Total			\$90.91

Table 50: Water Meter Testing Fee

Fee Calculation	Water Meter Testing Fee
Direct Labor (Table 49)	\$90.91
Travel (16 miles x \$0.545)	\$8.72
Total	\$99.63
Proposed Fee	\$100.00

6. Proposed Miscellaneous Fees

The proposed fees from the preceding sections are summarized in Table 51 and Table 52 and have been compared to existing fees (where applicable). Raftelis recommends the District update the miscellaneous fees on an annual basis to account for inflation. The most frequently used sources to escalate fees are the Engineering News-Record Construction Cost Index or the Consumer Price Index. Escalating miscellaneous fees is typically used for periods of up to five years, after which time, the District should conduct a comprehensive review to ensure full cost recovery.

Table 51: Proposed Penalty Fees

Fee Description	Existing Fees	Proposed Fees
Broken Meter Seal or Lock	\$100	\$200
Credit Card Chargeback Fee	\$0	\$30-\$40
DC Unauthorized Use	\$75	\$2,500-\$10,000
Disconnect Deposit Requirement	\$50	\$100
Disconnect Notice (door tag)	\$10	\$100
Disconnect/Reconnect Water Service	\$50 / \$75	\$100 / \$150
Illegal Water Consumption	\$200 - \$500	\$2,500-\$10,000
Late Fees	2% of bill balance	10% of Bill Balance
Rejected ACH Transaction	\$0	\$30-\$40
Rejected CC Transaction	\$0	\$30-\$40
Returned Checks	\$20	\$25-\$35
Un-Notified Fire Service Testing	\$75	\$75

Table 52: Proposed User Fees

Fee Description	Existing Fees	Proposed Fees
AMR / AMI Opt Out fee	\$25	\$25
Backflow Prevention Device	\$50	\$65
Backflow Testing	\$0	\$60
Board Room Rental (office hours)	\$100	\$50
Board Room Rental (after hours)	\$100	\$135
Compost Loading Fees	\$8 / cu. yd	\$8 / cu. yd
Complex Plan Check/ Inspection Installation/New Service	Actual Cost	Actual Cost
Fire Flow Certification	\$0	\$120
Fire Flow Testing	\$0	\$100
Landscape Plan Check	\$500-\$1,000	\$45
Re-Inspection of Moved Meter Box	\$40	\$100
Service Initiation Fee	\$20	\$50
Temporary Meter Deposit		
Up to 2 1/2"	\$500	\$250
2 1/2" and Above	\$1,500	\$500
Temporary Meter Installation Fee		
3/4" & 1"	\$50	\$110
1 1/2" - 4"	\$50	\$125
6" - 10"	\$50	\$150
Temporary Meter Relocation Fee	\$40	\$100
Water Audits	\$0	\$0-\$180
Water Meter Testing	\$50-\$150	\$100

APPENDIX A:
Additional Calculations

Exhibit A – Allocable Central Service Costs

Central Service Providers Included in Determining Overhead Rate

Central Service Provider	Total Costs
General Manager	\$765,268
General Manager-100% LVMWD	\$309,388
Finance & Administration Admin	\$1,129,881
Information Systems	\$1,846,879
Human Resources	\$1,494,319
Finance & Accounting	\$1,305,510
Total	\$6,851,245

Exhibit B – Fully Burdened Hourly Rate Calculation

The following equation was used to determine the FBHR for each position working directly on fee-related activities.

$$FBHR = \frac{[Total\ Salaries\ \&\ Benefits \times (1 + 0.36)]}{Productive\ Hours}$$

A summary of the FBHR for each position working directly on fee-related activities is shown below:

Staff Positions and Their Respective FBHR

Job Title	Total Salaries & Benefits	Productive Hours	Salaries & Benefits Hourly Rate	FBHR
Accounting Technician	\$132,979	1900	\$69.99	\$94.87
Accounting Technician	\$131,944	1900	\$69.44	\$94.14
Accounting Technician - Average				\$94.50
Customer Service Program Supervisor	\$175,310	1900	\$92.27	\$125.07
Customer Service Representative	\$127,151	1900	\$66.92	\$90.72
Customer Service Representative	\$125,603	1900	\$66.11	\$89.61
Customer Service Representative	\$126,115	1900	\$66.38	\$89.98
Customer Service Representative	\$125,005	1900	\$65.79	\$89.18
Customer Service Representative – Average				\$89.87
Director of Facilities & Operations	\$341,844	1900	\$179.92	\$243.89
Field Customer Service Representative II	\$127,419	1900	\$67.06	\$90.91
Planning/New Development Technician	\$139,869	1900	\$73.62	\$99.79
Principal Engineer	\$259,447	1900	\$136.55	\$185.10
Senior Field Customer Service Representative	\$143,390	1900	\$75.47	\$102.30
Water Conservation Coordinator	\$193,223	1900	\$101.70	\$137.86

APPENDIX B:
Room Rental Comparison

Exhibit A – Room Rental Comparisons

Calabasas Agoura Hills Community Center

Las Virgenes Room (90 people)	Hourly Rental	Deposit	Cleaning Fee
Mon – Thurs	\$55	\$175	\$125
Fri - Sun	\$80	\$175	\$125

City of Calabasas Civic Center

Multi-Purpose Room (50 people)	Hourly Rental	Deposit	Insurance Fees
Mon – Fri (2 Hour Rental minimum)	\$56.50	\$200	\$86
Sat – Sun (4 Hour Rental minimum)	\$81.70	\$200	\$86

LVMWD Board Room

Board Room	Rental	Deposit
Office Hours	\$50	\$0
After Hours	\$135 (per hour)	\$0