

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

September 30, 2015
City of Agoura Hills Event Center



Tonight's Agenda

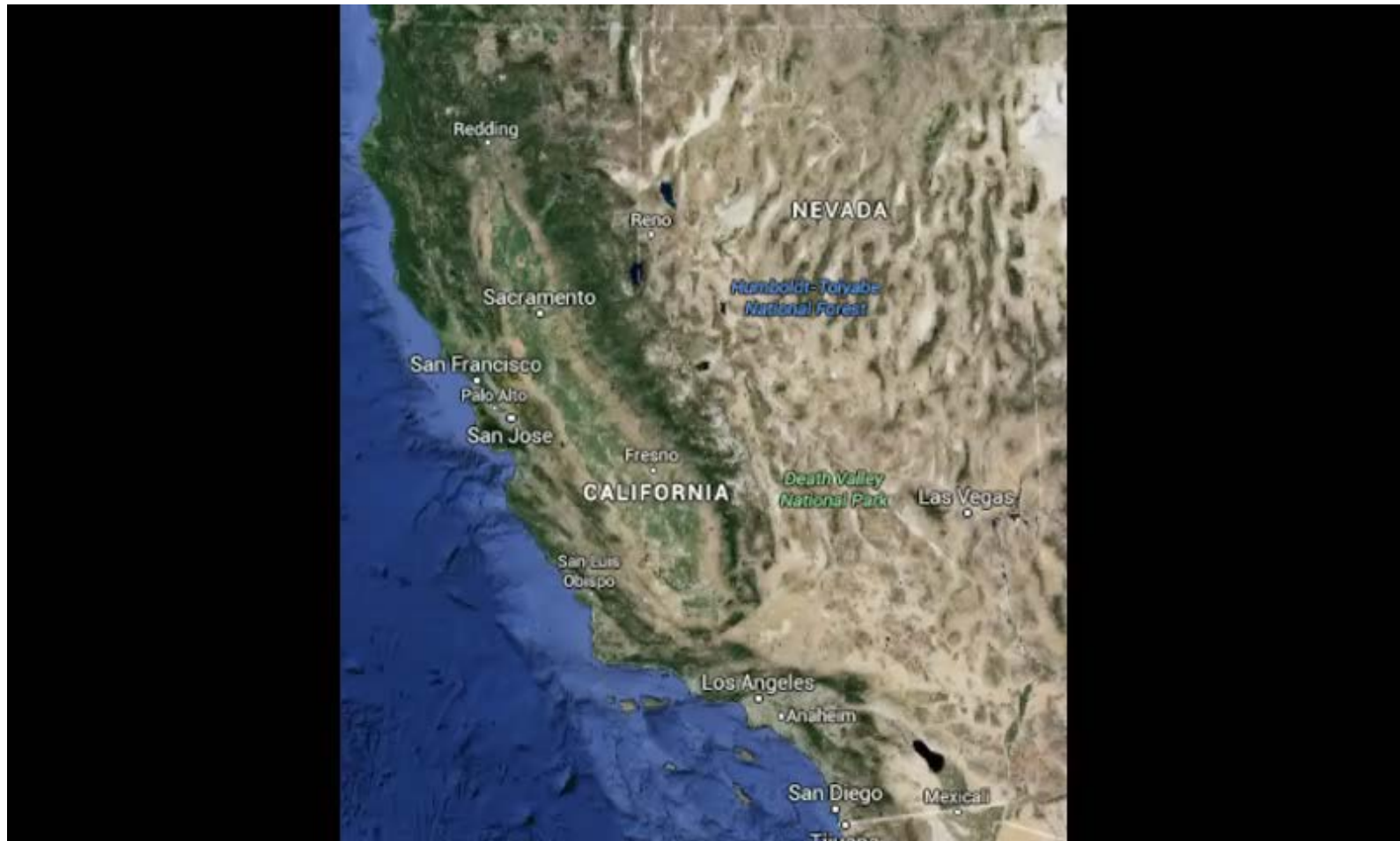
Objective:

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:

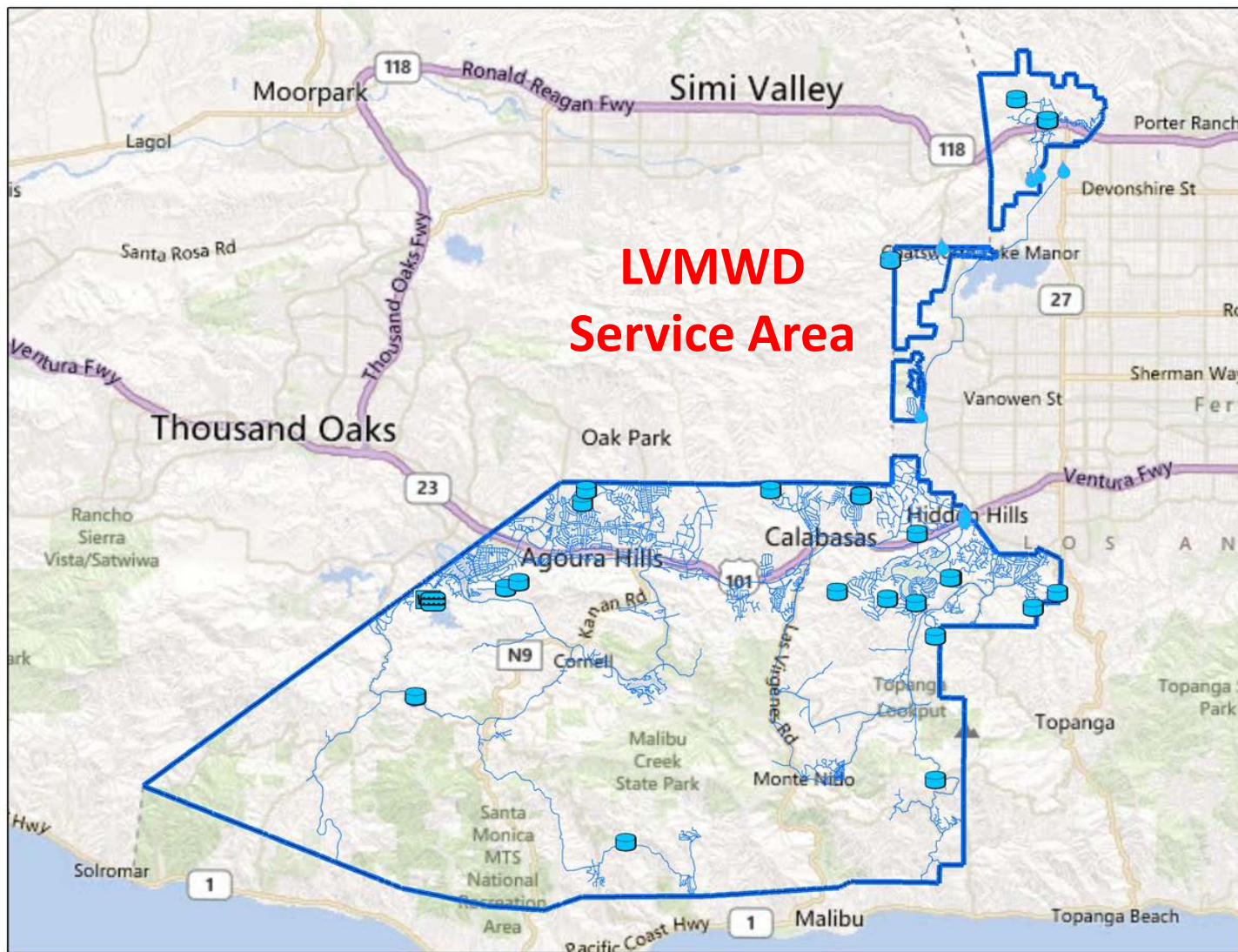
Presentation	6:30 – 7:15
Q & A	7:15 – 7:45
Individual Consultations	7:45 – 8:00





WHAT'S THE VALUE OF WATER?





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

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

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

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

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



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.



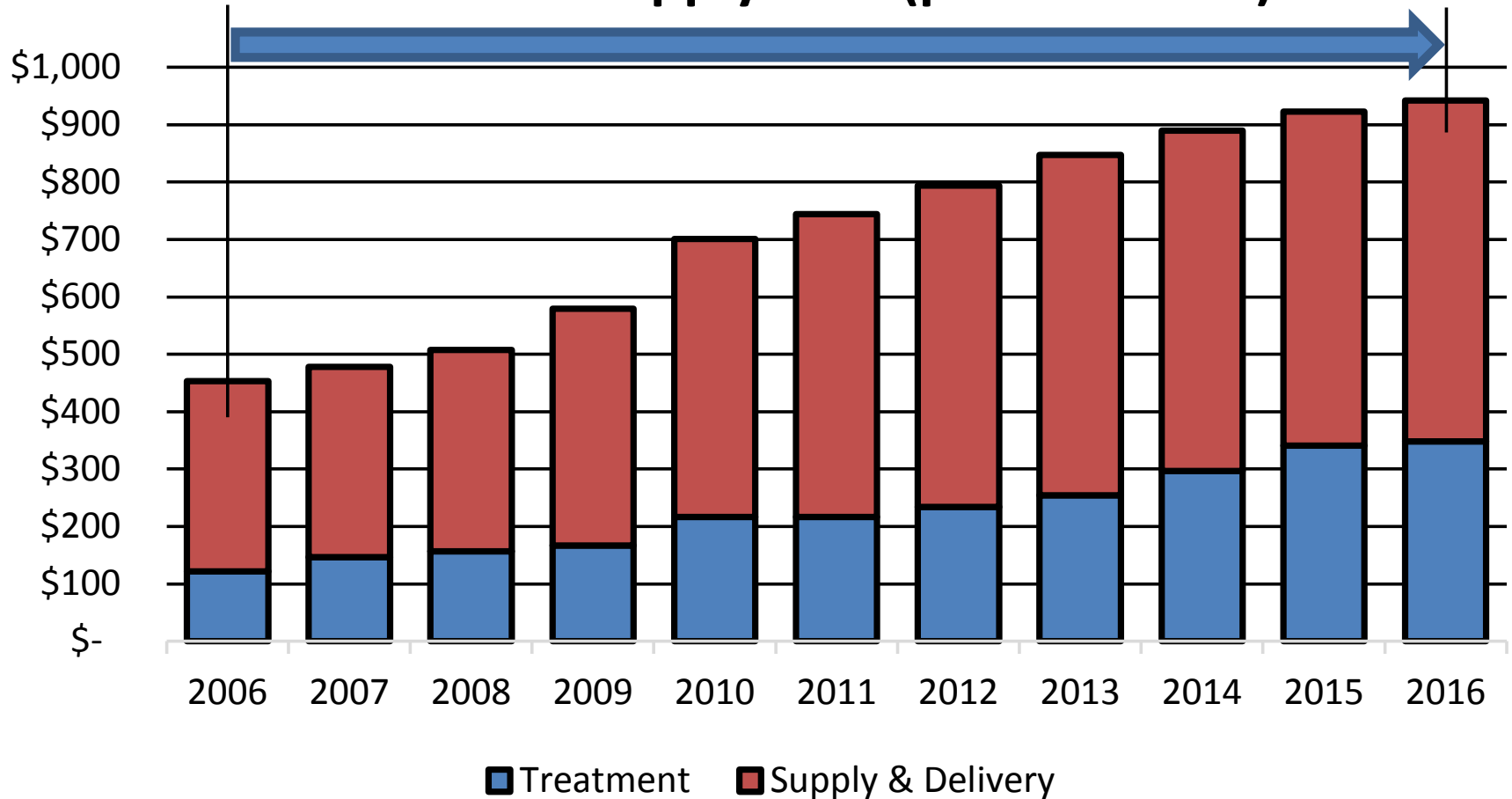
Drivers for Rate Increases

- 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.

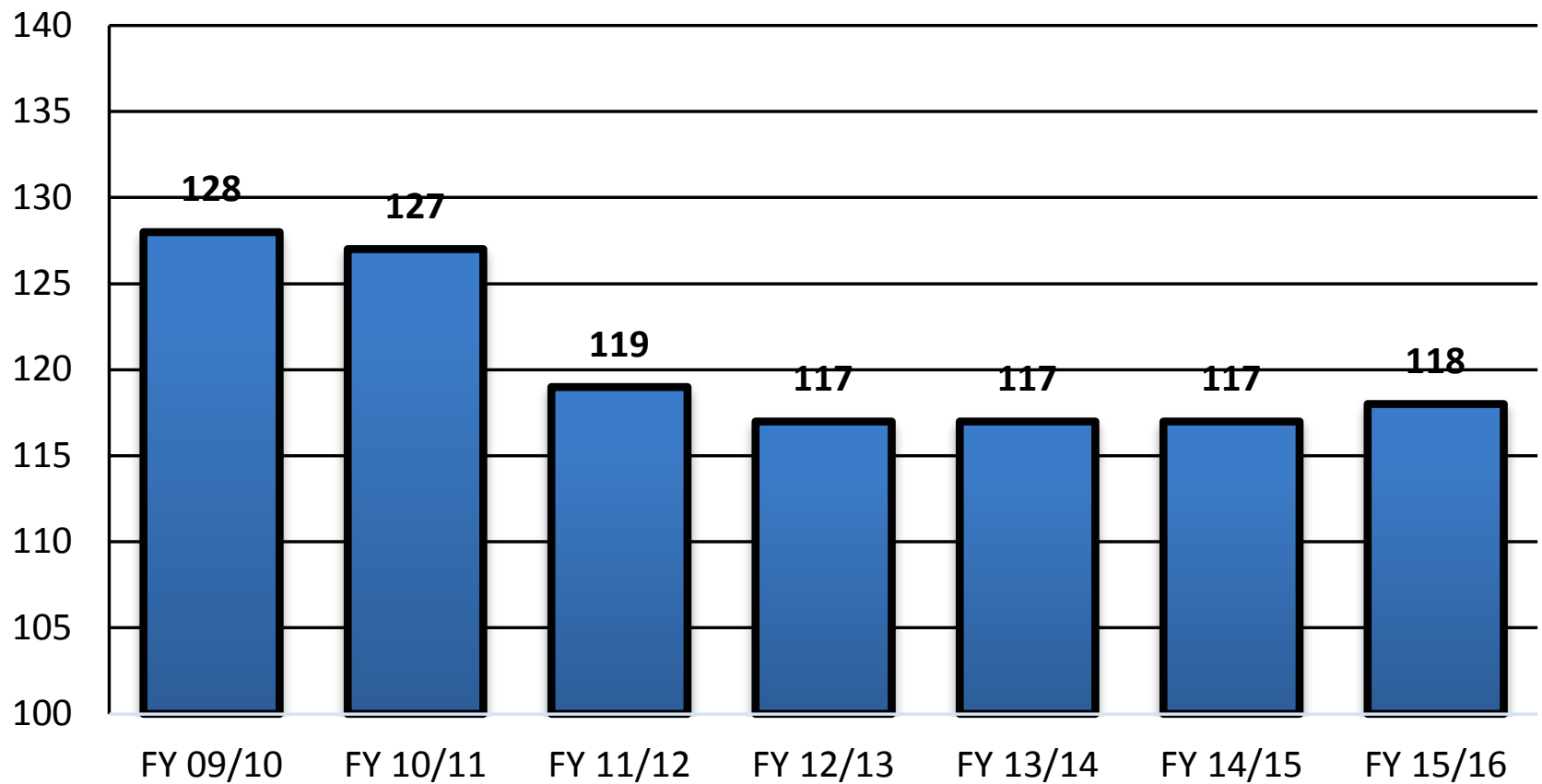


MWD Water Supply Cost (per acre-foot)

208%



Number of Employees

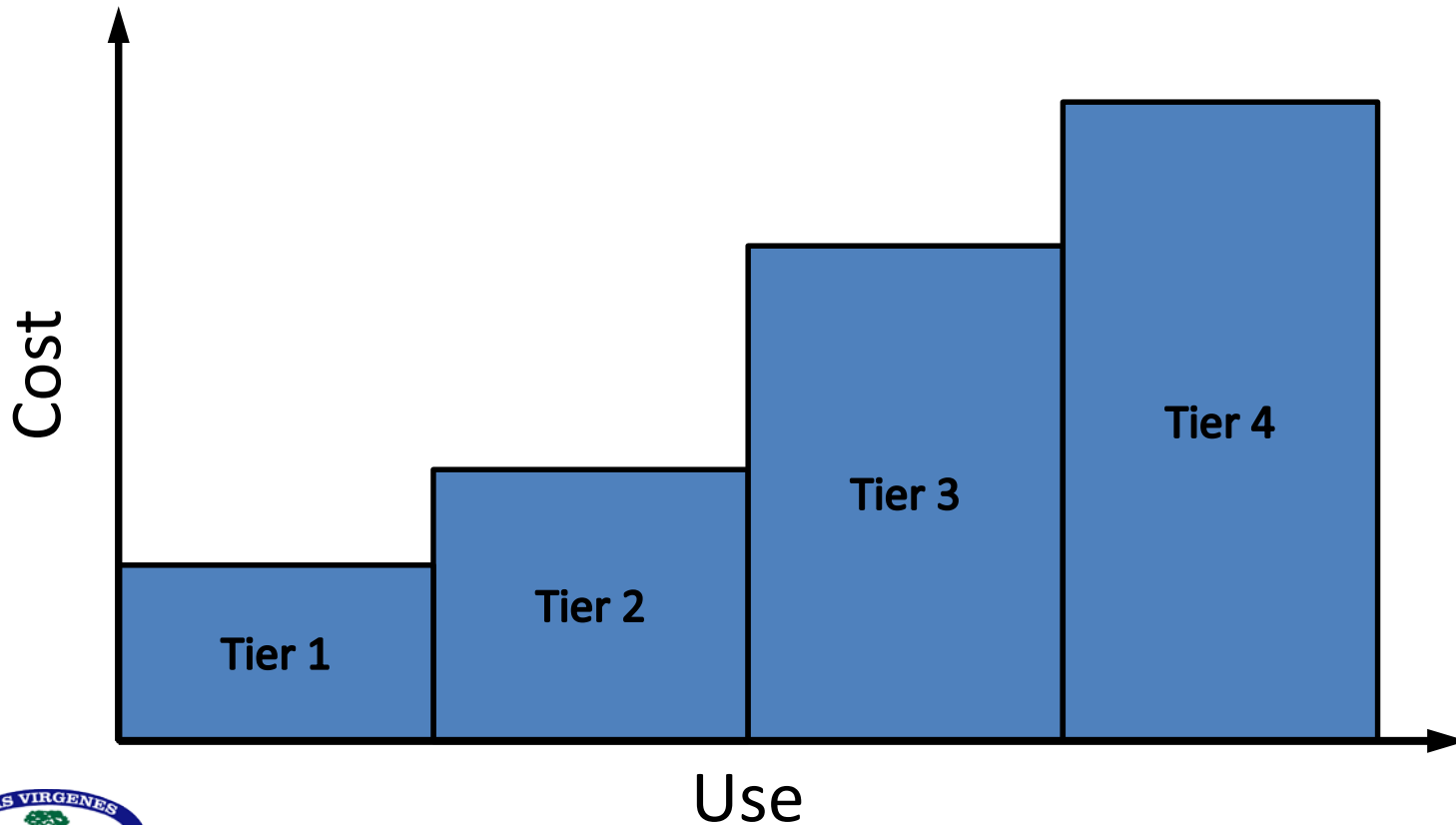


A Transparent Process

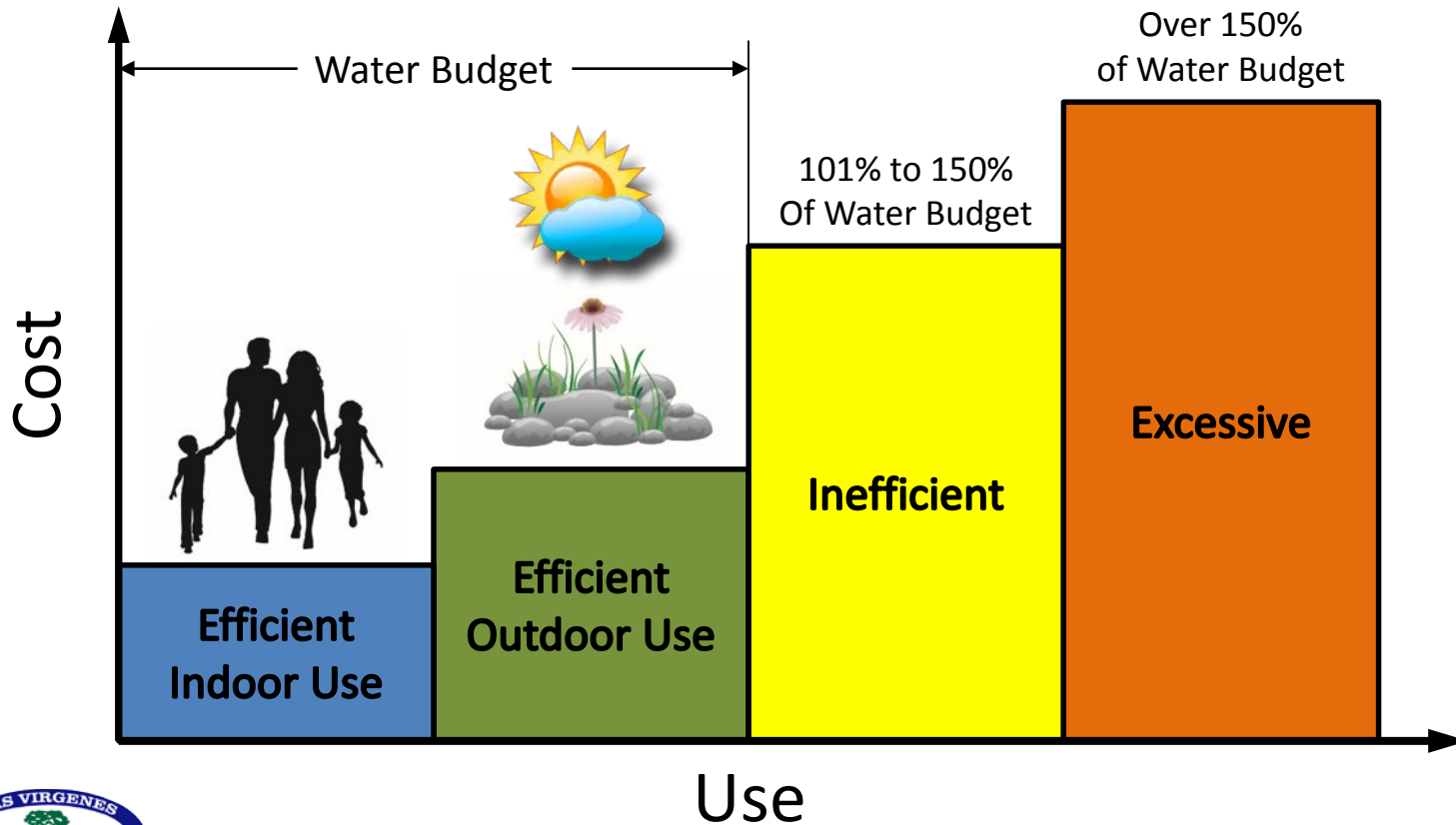
- Public meetings
- Public workshops
- Outreach to cities, HOAs & community groups
- Direct mail to all customers
- Public Hearing on October 26, 2015



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.

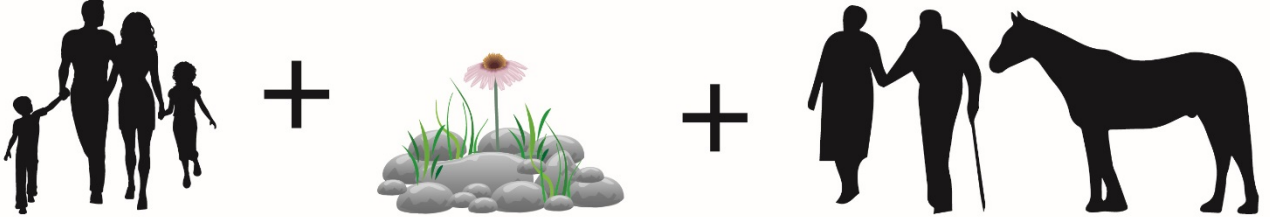
1. 1st offense – written warning
2. 2nd offense – penalty of \$2.50 per unit of water
3. 3rd+ offense(s) – penalty of \$5.00 per unit of water



Water Budgets

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

WATER BUDGET =



The diagram illustrates the components of a water budget. It starts with the text 'WATER BUDGET =' followed by three items separated by plus signs. The first item is a silhouette of a family (two adults and two children) with the label 'Indoor (people)' below it. The second item is a silhouette of a flower growing from rocks with the label 'Outdoor (landscape)' below it. The third item is a silhouette of two elderly people walking with a cane and a horse with the label 'Adjustment (elderly care, horses, etc.)' below it.

Indoor
(people)

Outdoor
(landscape)

Adjustment
(elderly care, horses, etc.)



Water Budgets

- Encourage efficient water use using State standards
- Comply with 20% x 2020 mandate
- Promote equity during water shortages
- Enhance revenue and rate stability
- Successful track record to achieve water use reduction



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

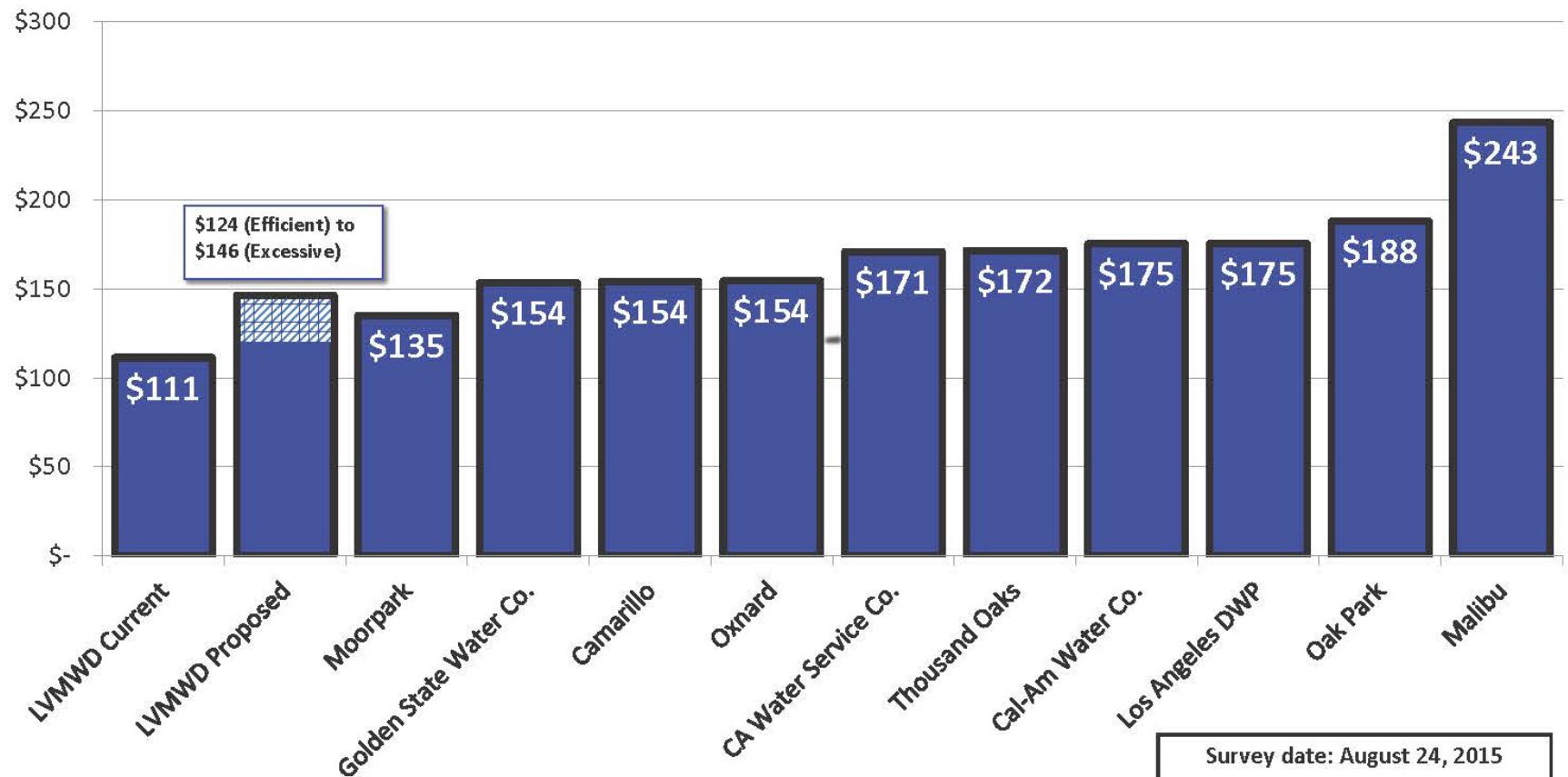
SANITATION CHARGE (MONTHLY)

Current Rates			Proposed Rates						
Single-Family	Winter Water Use (hcf)	Monthly Charge	Household Size	Flow (hcf)	Monthly Charge				
					2016	2017	2018	2019	2020
	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
Multi-Family	Per Dwelling Unit	Monthly Charge							
	Flat rate	\$34.99	6 or more	13.2	\$93.28	\$95.27	\$97.27	\$99.28	\$101.28

Effects on a Typical Customer Water Rates

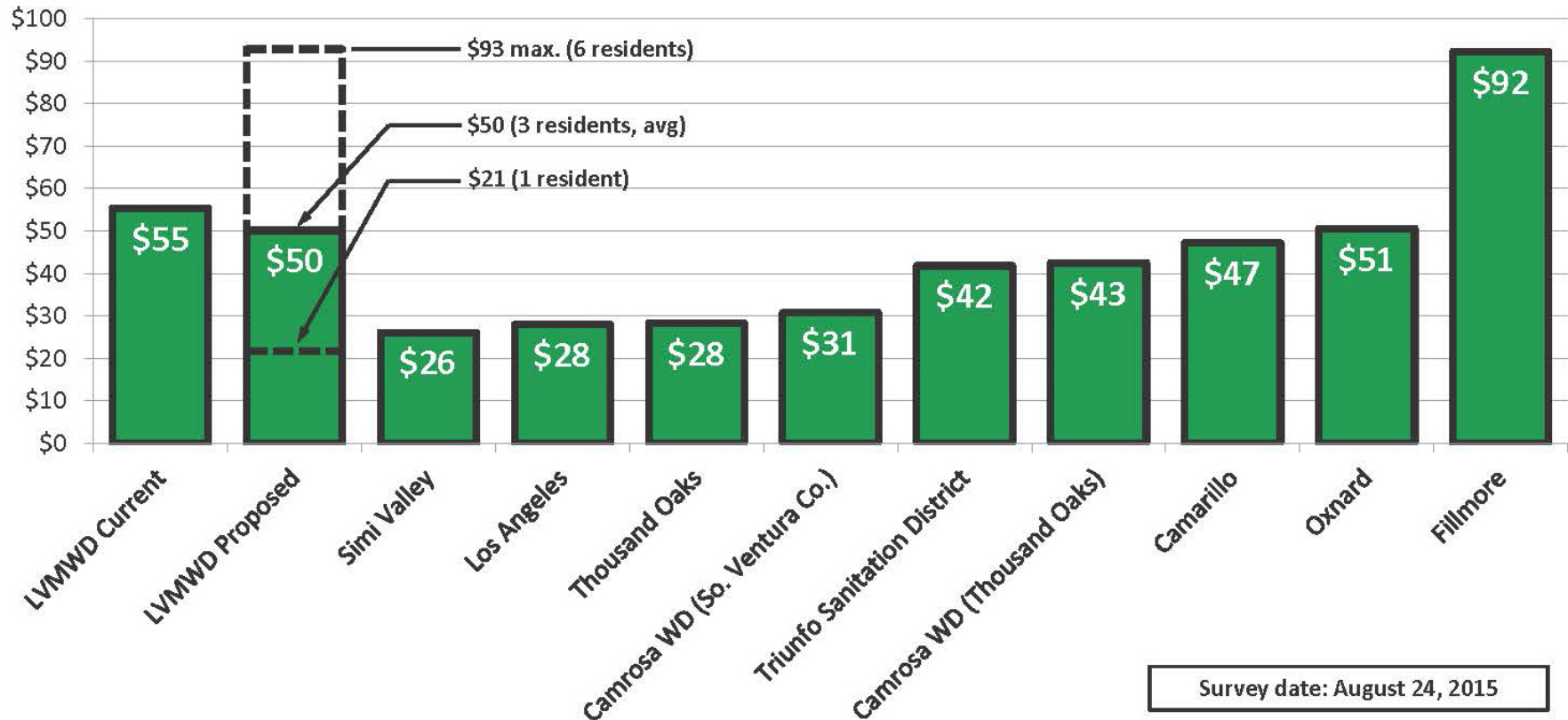
Proposed Water Rates Comparison with Other Agencies

(Based on LVMWD average water use = 35 hcf/month)

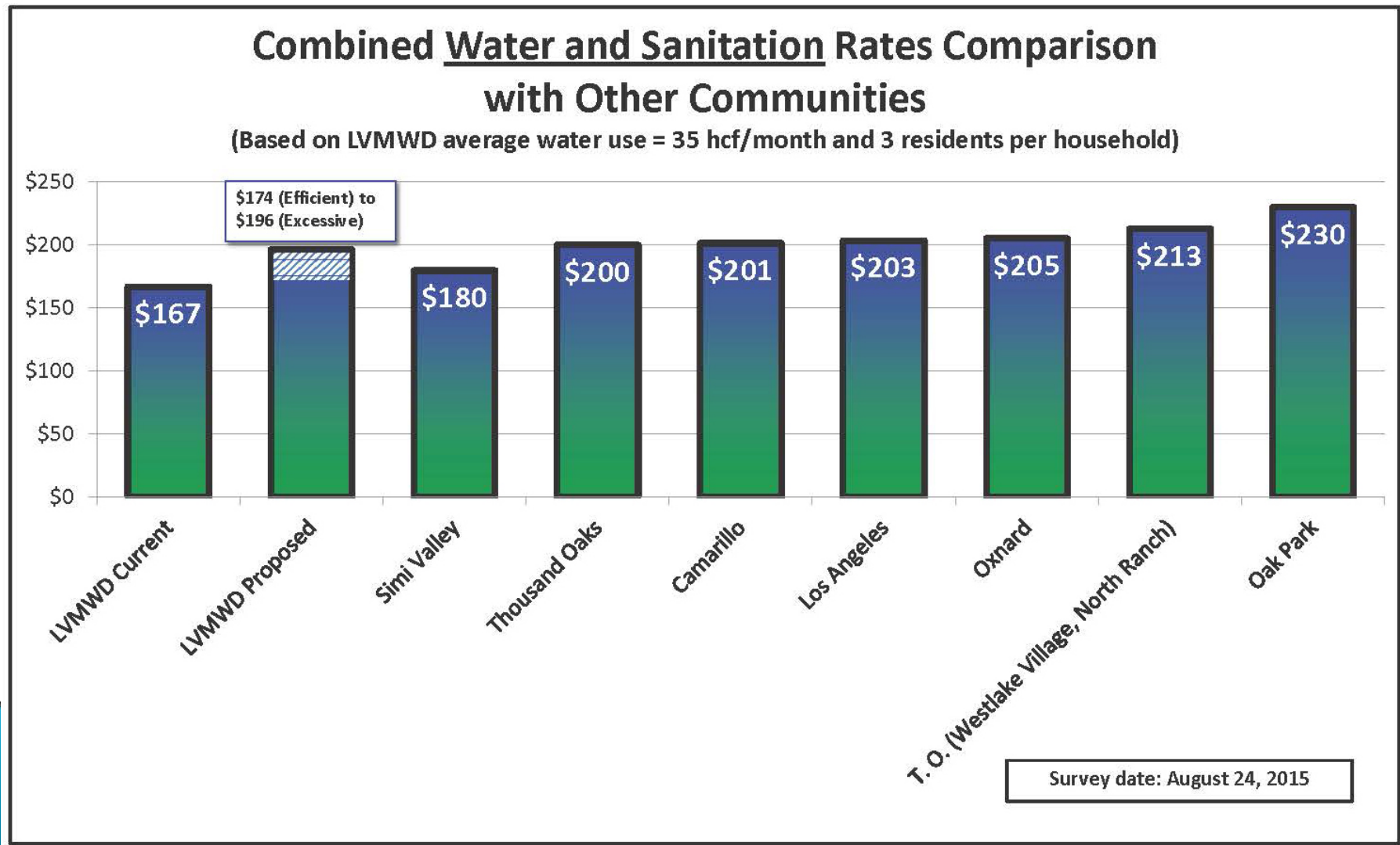


Effects on Typical Customer Sanitation Rates

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
2. Select the Billing Month (ex. Jan)
3. Select the Meter Size
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)
 ETo for Aug (inches)
 Indoor Budget (HCF)
 Outdoor Budget (HCF)
 Total Efficient Budget (HCF)

*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

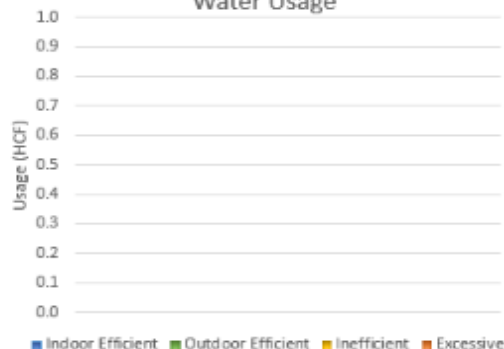
Estimated 2016 Monthly Bill

	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

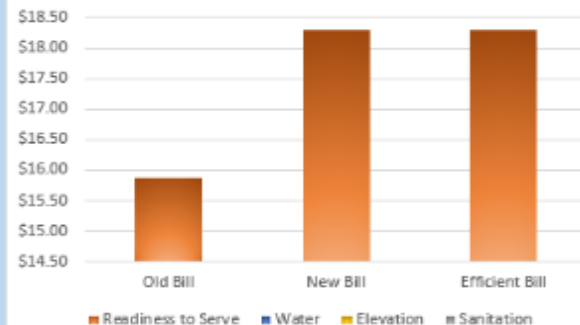
Congratulations for not having any excessive use

Congratulations for being water efficient

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?

