



PANEL 1B – FINANCING SUSTAINABLE WATER

MODERATOR: MARY ANN DICKINSON – PRESIDENT & CEO,
ALLIANCE FOR WATER EFFICIENCY

- JUSTIN SCOTT COE – PUBLIC AFFAIRS DIRECTOR, MONTE VISTA WATER DISTRICT
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- STEPHANIE REIMER – CONTROLLER, MONTE VISTA WATER DISTRICT

Financing Sustainable Water: Helping California Water Agencies with Pricing for Drought and Conservation

Mary Ann Dickinson

Thomas Chesnutt

San Bernardino Water Conference

August 22, 2014



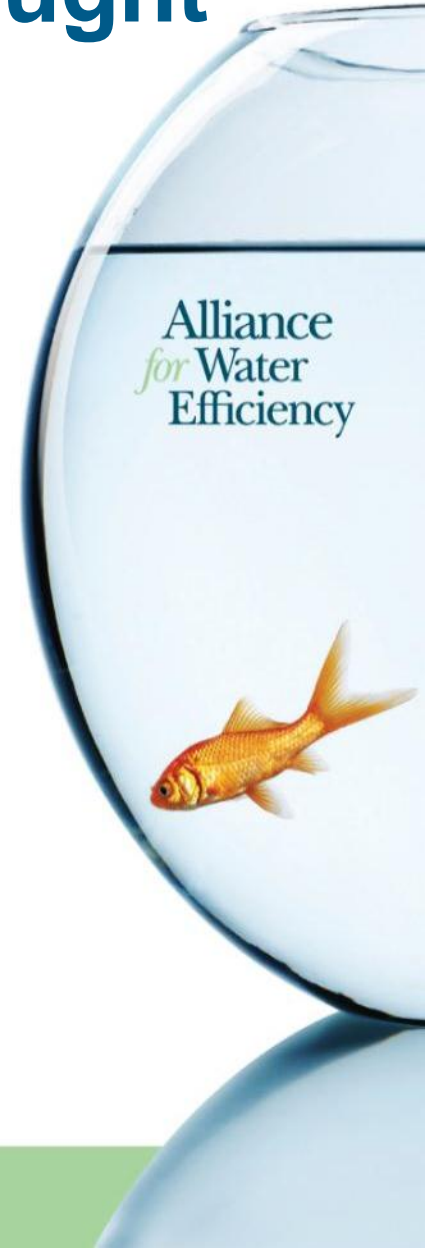
A VOICE AND
A PLATFORM
PROMOTING THE
EFFICIENT AND
SUSTAINABLE
USE OF WATER



Alliance *for* Water Efficiency

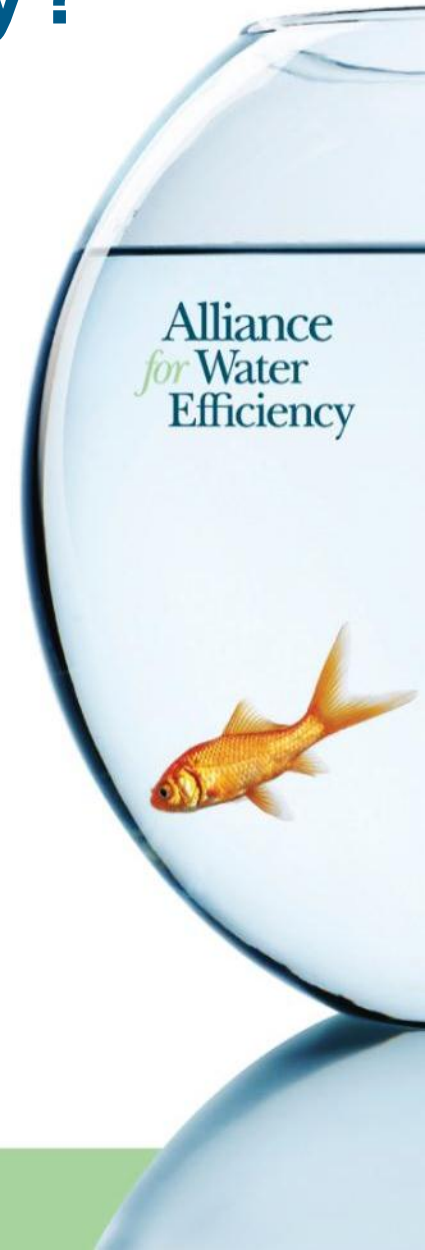
Coping with the California Drought

- Water agencies to comply with drought restrictions
- Lowered demand means reduced sales revenue
- Reduced sales revenue can mean not fully collecting fixed costs
 - ✓ Short-run variable costs (water, pumping energy, chemicals)
 - ✓ Long-run capacity costs (supply, transmission, storage, treatment)
- Revenue stability therefore becomes an issue

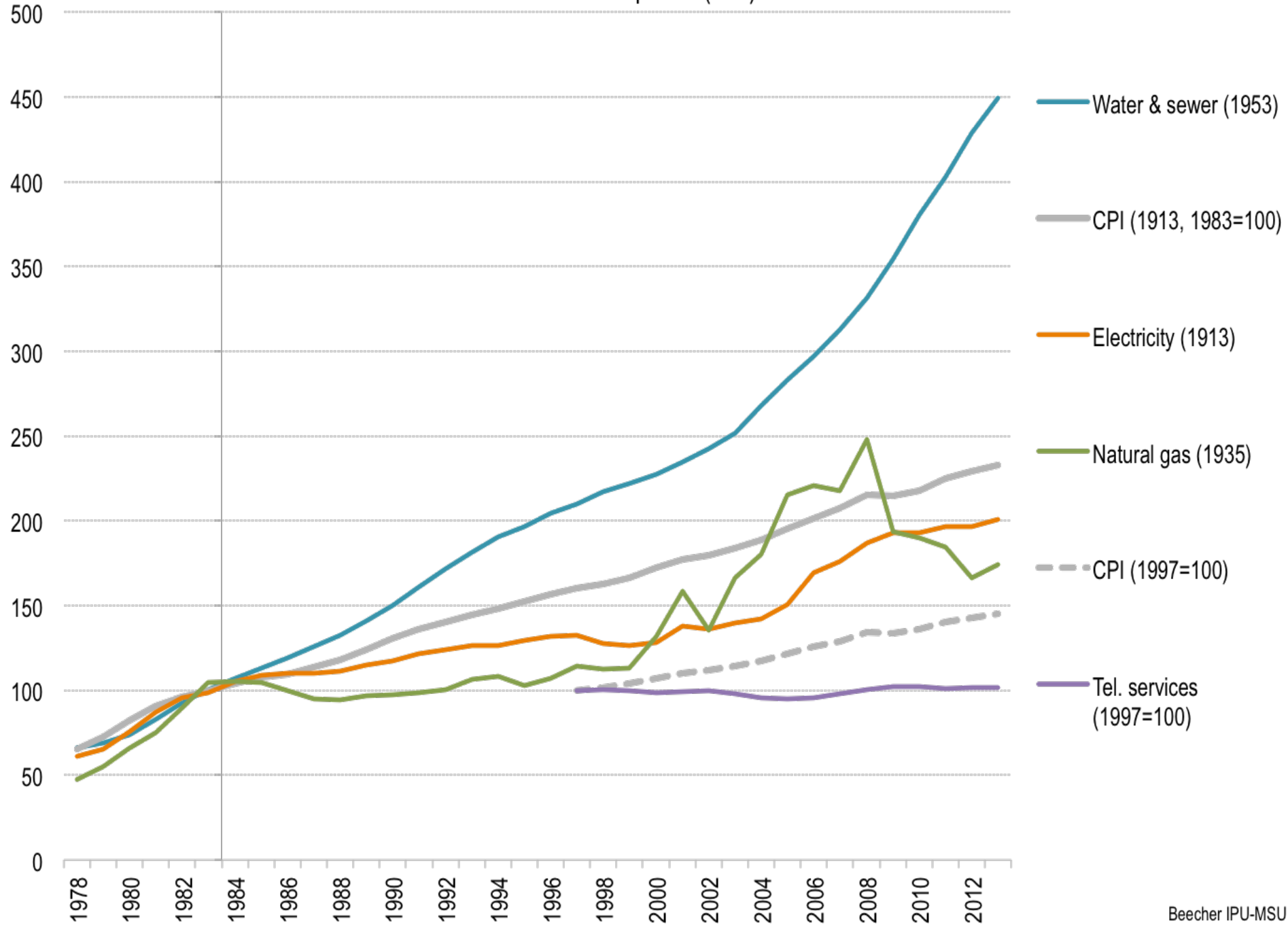


What Affects Revenue Stability?

- Reduced demand from:
 - ✓ efficient fixture replacement under the plumbing and appliance codes
 - ✓ active conservation programs
 - ✓ the recession: industrial shift layoffs, home foreclosures
- Reduced peak demand in wet years
- Increased infrastructure costs
- Rise in other fixed costs
- Continuing Inflation



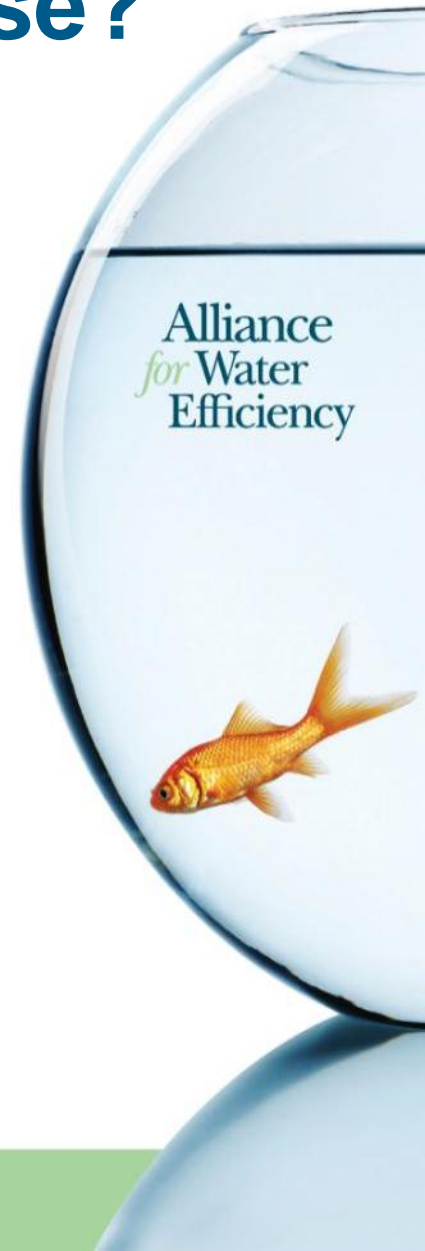
Trends in consumer prices (CPI) for utilities

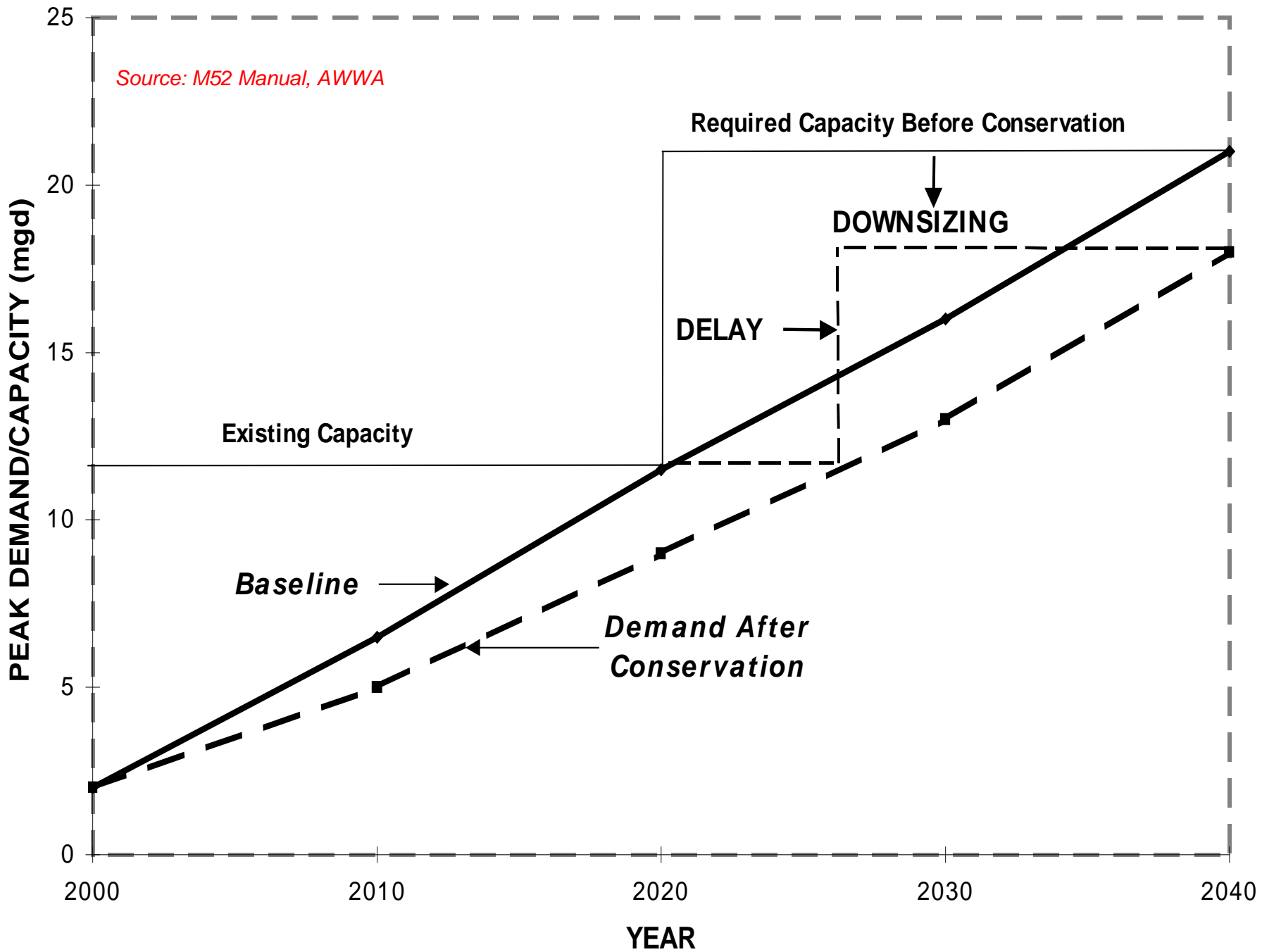


Conservation Makes Rates Rise?

Conservation is still part of the solution

- It is a long-term cost reducer to the utility
- Revenue loss is often due to other drivers
- Every gallon saved is water that does not have to be pumped, treated and delivered
- Conservation is an investment and short-term effects must be planned for
- Reduced utility costs generally mean reduced customer rates in the long-term due to avoided infrastructure capacity increases





Source: M52 Manual, AWWA

Required Capacity Before Conservation

DOWNSIZING

DELAY

Existing Capacity

Baseline

Demand After Conservation

2000

2010

2020

2030

2040

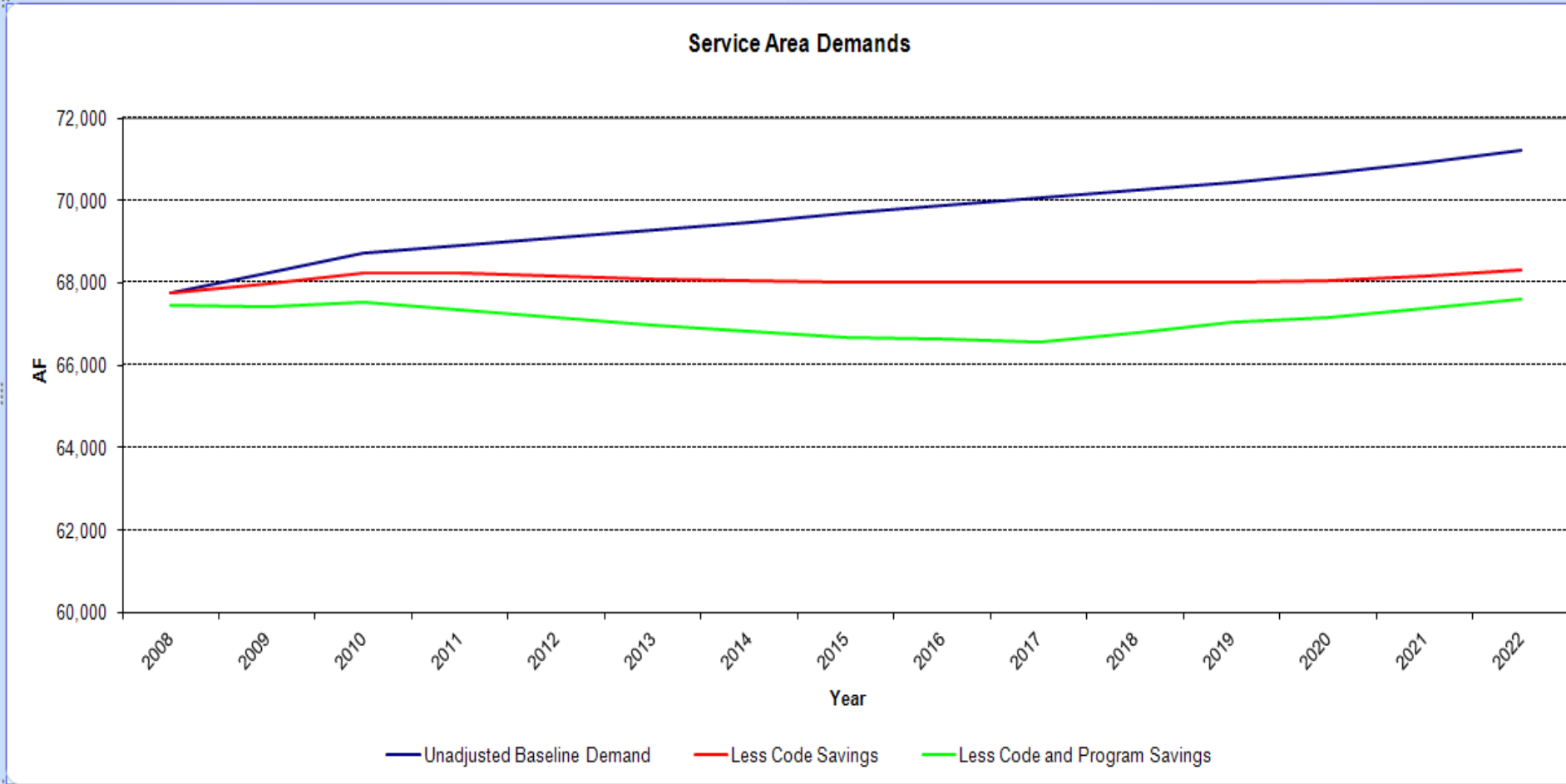
YEAR

Year forecasted peak season demand equals existing peak season delivery capacity		Deferred Expansion (Years)	Deferred Capacity (MGD)	Benefit of Deferred Expansion (\$)	Avoided Capacity (MGD)	Benefit of Avoided Expansion (\$)
Baseline Demands	2014	N/A	N/A	N/A	N/A	N/A
Baseline - Code Savings	2025	11	5.8	\$9,764,491	0.0	\$0
Baseline - Code Savings - Program Savings	2027	13	5.8	\$11,231,717	0.0	\$0

Select Chart to View

Service Area Demands No. of Years to Display

[Chart Explanations](#)



AWE CONSERVATION TRACKING TOOL: UTILITY REVENUES & RATES WORKSHEET

Last Loaded Scenario: "Sample Scenario (English Units)" loaded on 9/16/2011 11:58:00 AM

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Utility Revenue Requirement and Rate Impacts

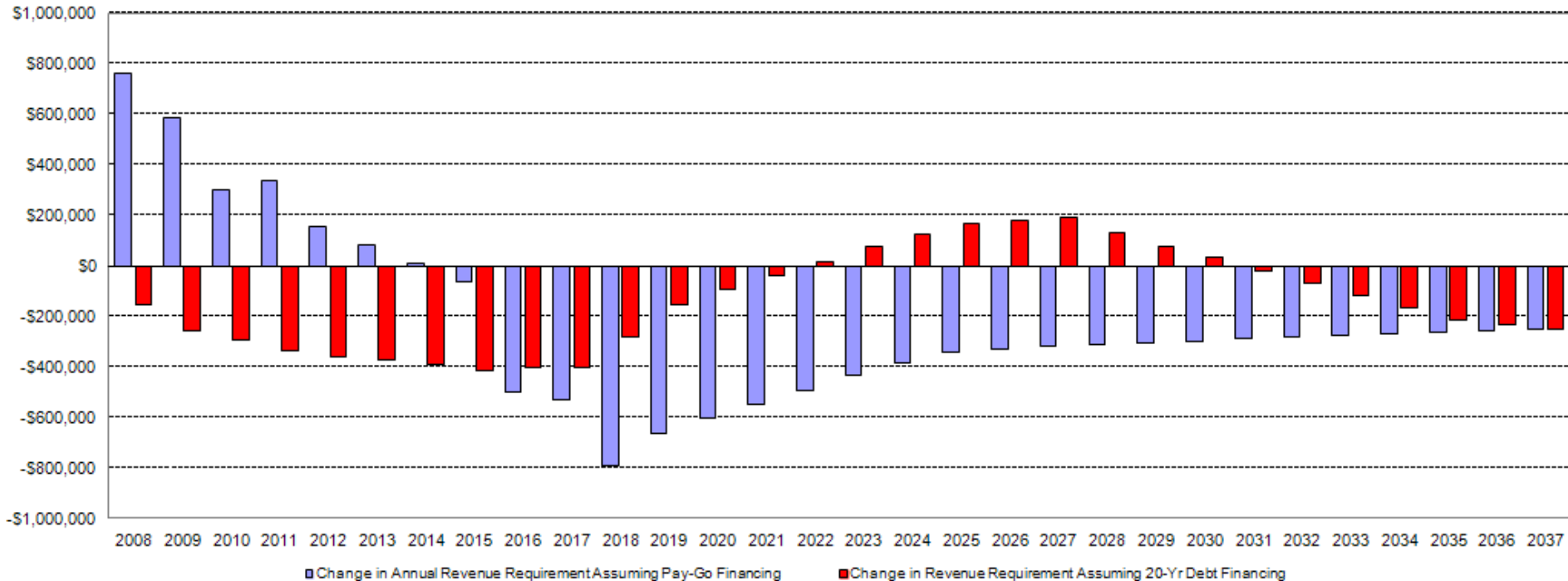
Program Impact on...	Baseline	With Conserv.	Change to Baseline
Water Utility Annual Sales Revenue Requirement	49,742,591	\$49,562,581	(\$180,010)
% change from baseline			-0.36%
Avg. Water Rate (\$/Thou Gal)	\$2.17	\$2.29	\$0.13
% change from baseline			5.86%
Annualized Bill Impact (\$/Mo.)	46.86	\$46.69	(\$0.16)
% change from baseline			-0.35%

Select Impact Chart to View

Revenue Requirement

[Chart Explanations](#)

Impact to Utility Sales Revenue Requirement Under Two Financing Approaches



AWE CONSERVATION TRACKING TOOL: UTILITY REVENUES & RATES WORKSHEET

Last Loaded Scenario: "Sample Scenario (English Units)" loaded on 9/16/2011 11:58:00 AM

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Utility Revenue Requirement and Rate Impacts

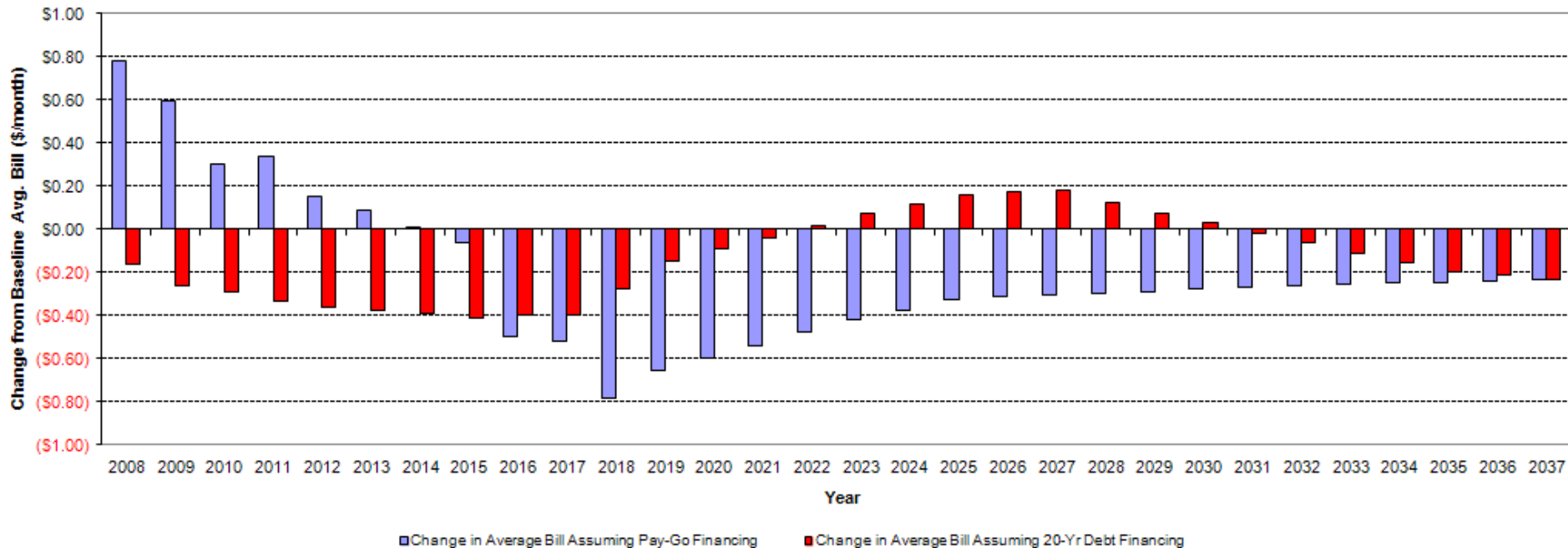
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Select Impact Chart to View

Avg. Water Bill

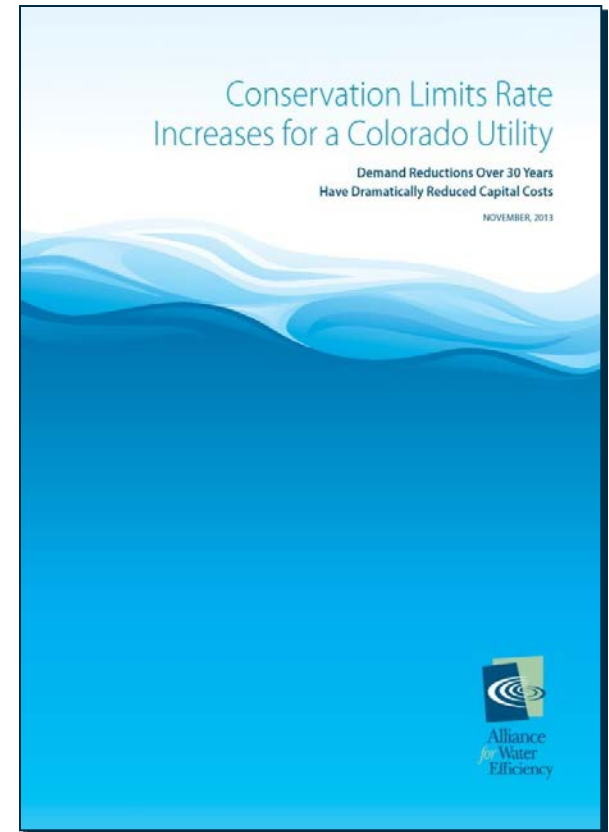
Chart Explanations

Impact to Average Water Bill



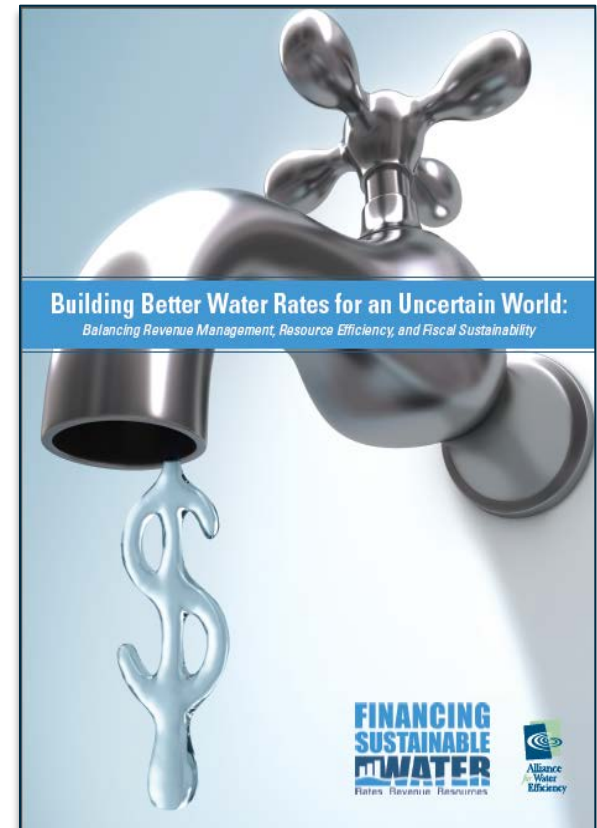
Westminster's Story

- Citizens complained about being asked to conserve when rates would just go up anyway
- Westminster reviewed marginal costs for future infrastructure if conservation had not been done
- Since 1980 conservation has saved residents and businesses 80% in tap fees and 91% in rates compared to what they would have been without conservation
- Report posted on AWE web site at www.a4we.org



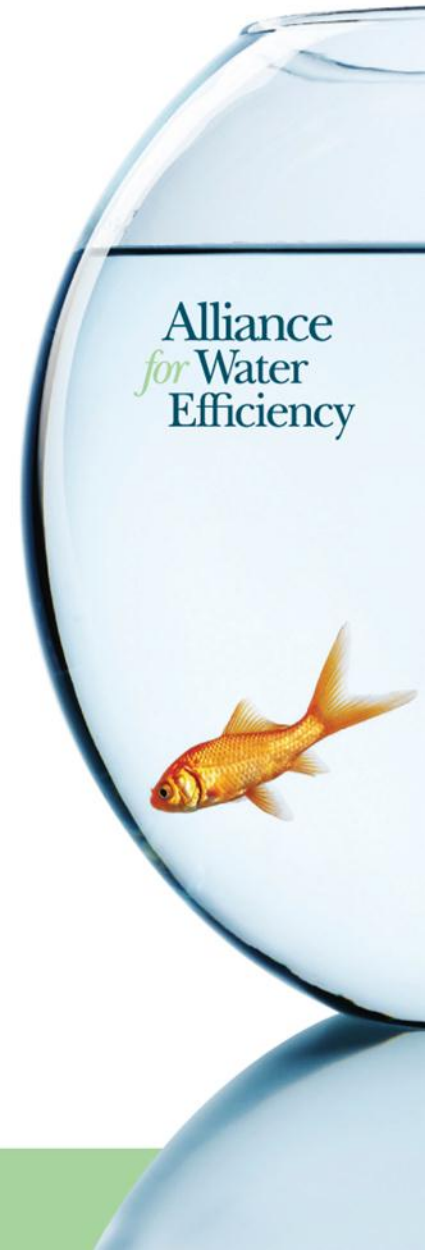
Rates Handbook and Model

- Practical resources needed for utility employees with varying technical ability
- A Handbook to explain key concepts, provide case studies and implementation advice
- A public domain Rate Model to model various scenarios
- Web-based resources to show the latest research and information in one location



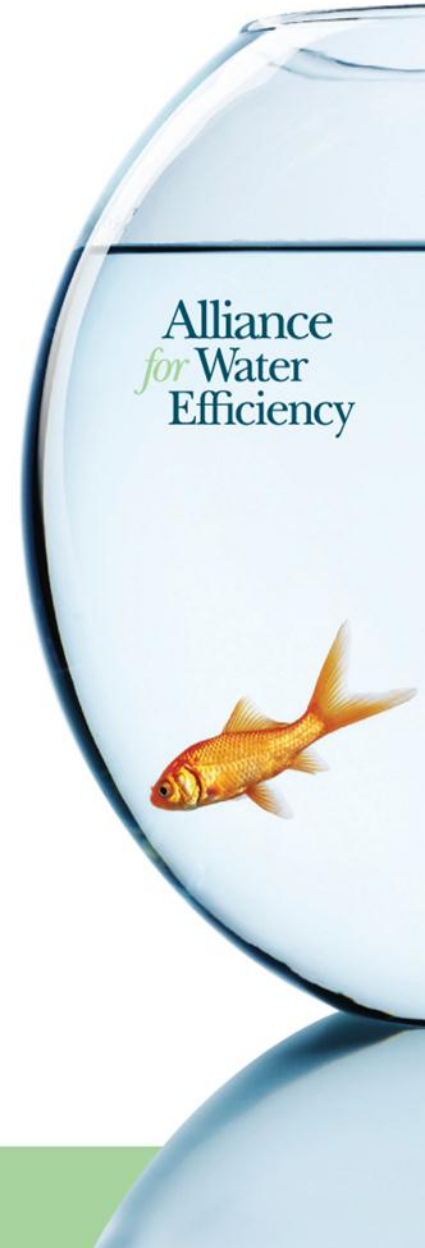
AWE Handbook Contents

1. Introduction
2. Today's Imperative for Utility Financial Management
3. The Role of Ratemaking
4. Building a Better (Efficiency-Oriented) Rate Structure
5. Implementing an Efficiency-Oriented Rate Structure
6. Financial Policies & Planning for Improved Fiscal Health



AWE Handbook Contents

- Appendix A - Costing Methods
- Appendix B – Demand and Revenue Modeling
- Appendix C – AWE Sales Forecasting and Rate Model User Guide



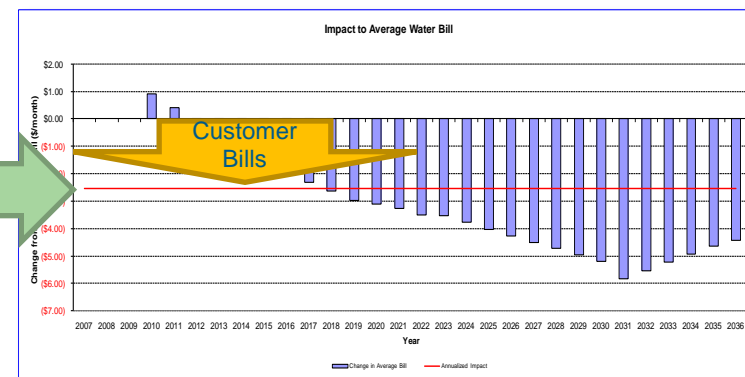
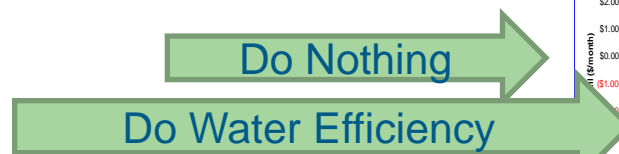
Water Rates, Efficiency, & Revenue

Water Rates: A Balancing Act for Water Utilities

- ✓ Revenue Generation-(to pay prudent costs)
- ✓ Resource Efficiency-(to avoid consumptive or productive waste)
- ✓ Fiscal Sustainability-(for sustainable water service delivery)



(Other details include Customer Acceptance, Affordability, Legality, etc.)



What is an Efficient Water Rate?

What is Conservation?

- any reduction in human water consumption?
- minimizing loss or waste, that is any water reaching the ocean?

Nope.

- Conservation is Resource Efficiency.

What is Efficiency?

- Technical Efficiency – Energy per unit mass
- Financial Efficiency--Dollars per Output

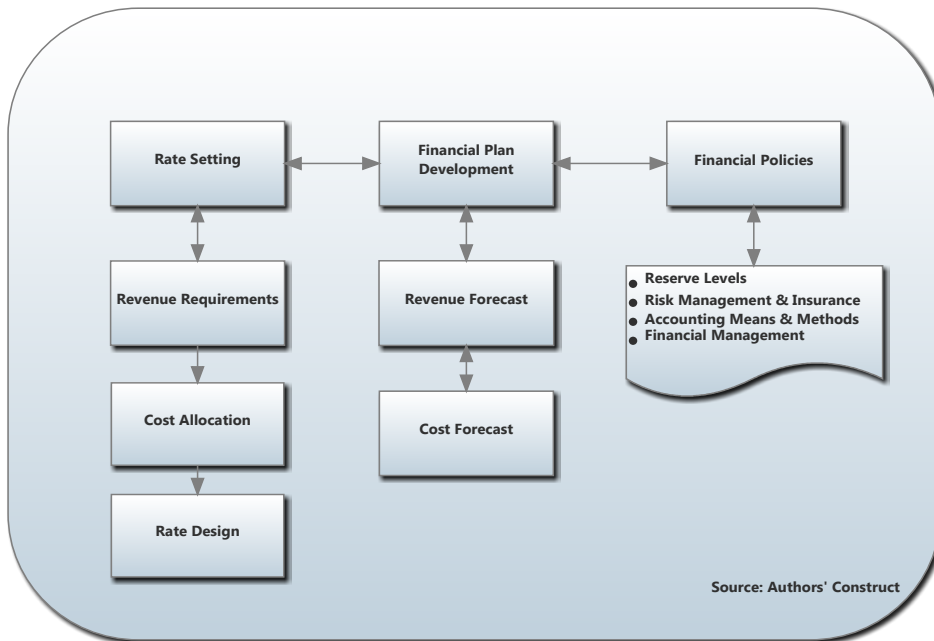
- Resource Efficiency-Cost and Benefits broadly defined (TBL)

Conservation that squanders other resources is not very efficiency-oriented.

Efficiency and Sustainability

Embedding water rate setting within Financial Management:

- Water Rate Setting is not a theoretical exercise
- Water Rate Setting occurs within Financial Planning
- Water Rate Setting can be guided by Financial Policies



See Rothstein and Galardi, (2012) *Financing Water Utilities' Sustainability Initiatives: Challenging Institutionalized Governance and Market Failures.*

Deciding on a Water Rate

- There is not one single objective of rate making
 - ✓ Cost recovery
 - ✓ Efficient Pricing
 - ✓ Affordability
- Most rate analyses focus on feasibility
- Better analysis can yield better tradeoffs from competing objectives.

Effectiveness in
Achieving Intended Result:
Effect on Consumption
Revenue Sufficiency
Affordability
Net Revenue Variability
Fiscal Sustainability

Solutions that are effective
but no feasible.

Sweet Spot

Solutions that are
feasible but not
effective

Implementation Feasibility
Consistency with cost-of-service principles
Revenue Requirements based on Prudent Costs
Administrative Cost
Institutional legitimacy and Legality
Public Acceptance



Overview
Typical water rate models assume that future sales are known with certainty, and do not respond to price, weather, the economy

The AWE Sales Forecasting and Rate Model addresses this deficiency:
Customer Consumption—Volatility—weather, drought/shortage, or seasonal shock
Demand Response—Predicting future block sales (volume and revenue) with empirical price elasticities
Drought Pricing—Contingency planning for revenue instability
Probability Management—Risk theoretic simulation of revenue risks
Fiscal Sustainability—Sales forecasting over a 5 Year Time Horizon

Model Modules
The model is divided into two modules: the Rate Design Module and the Revenue Simulation Module. With the Rate Design Module you can answer questions such as: What effect would you cause overall water use to increase or decrease? What level rate design could allow us to preserve our current level of revenue management objectives during water shortages? What proportion of customer bills will increase (or decrease) under our analysis? The development of effective water rates, and the Rate Design Module is designed to help you answer them. There are other modules not able to answer. These include questions like: What is the likelihood we will meet our one-year, three-year, five-year turn out more than 12% below our current projections. What level of confidence can we have that our sales will exceed our most world are unknown. For near term water sales forecasting the key uncertainties are weather, growth of accounts, and possible Revenue Simulation Module is designed to help answer sales revenue planning questions addressing risk and uncertainty. It use about future account growth and risk of water use curtailment to simulate your water demands and sales revenues over a five or conditions. Using the Rate Simulation Module you can assess how well or poorly your current or proposed rates are likely to perform.

Long Term Risk: Average Outcomes vs. Likely Outcomes

FLAW OF AVERAGES

Fact 1 – Planning for the future is rife with uncertainties.

Fact 2 - Most people are not happy with Fact 1 and prefer to think of the future in terms of average outcomes.

Fact 3 - The “flaw of averages” states that plans based on average assumptions are, on average, wrong.

-adapted from Savage (2012) Flaw of Averages

See: ProbabilityManagement.org



The cyclist is **safe** on
the average path

On average, the cyclist is
dead.

Drought Pricing

- Shortages are when, not if.
- Imposing curtailments on customers affects revenues.
- This can be planned for, communicated, and effectively implemented.

Drought Rates Missing from Most Local Drought Plans in California



Posted February 24, 2014 in [Living Sustainably](#), [U.S. Law and Policy](#)

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Today they're short of water. Tomorrow they'll be short of cash. As water supplies dwindle in the face of the driest year in California's history, most of the state's urban water utilities face 2014 financially flatfooted.



CalTrans Highway Sign 2014 -- photo: Eric Beteille, pedestrianphotographer.com



Sales Forecasting and Rate Model

Version 0.5 (Beta Release)

Overview

Typical water rate models assume that future sales are known with certainty, and do not respond to price, weather, the economy

The **AWE Sales Forecasting and Rate Model** addresses this deficiency:

Customer Consumption Variability—weather, drought/shortage, or external shock

Demand Response—Predicting future block sales (volume and revenue) with empirical price elasticities

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Probability Management—Risk theoretic simulation of revenue risks

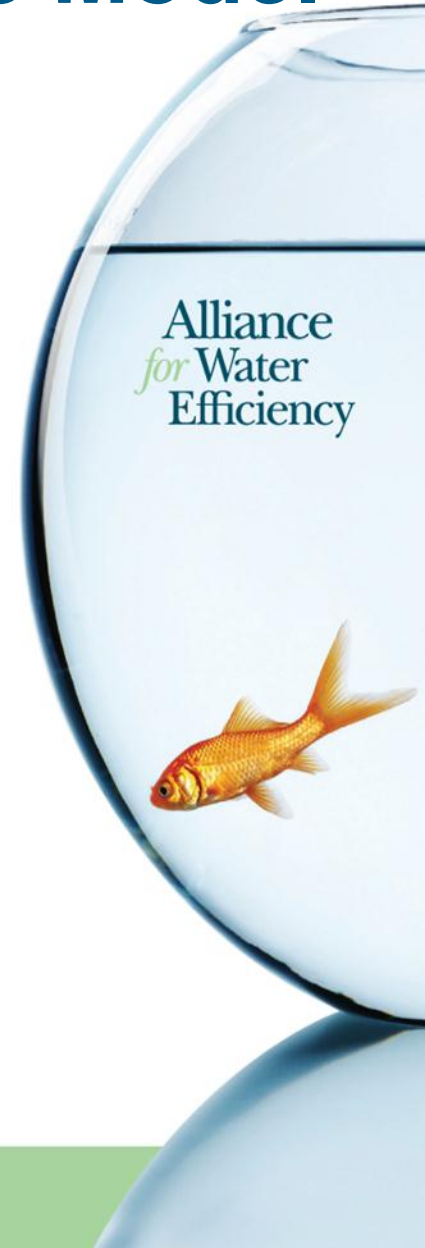
Fiscal Sustainability—Sales forecasting over a 5 Year Time Horizon

Model Modules

The model is divided into two modules: the **Rate Design Module** and the **Revenue Simulation Module**. With the **Rate Design Module**, you can evaluate the impact of volumetric rates or proposed new volumetric rates. This module can help you answer questions such as: *What effect would increasing or decreasing overall water use have on revenue? What block rate design could allow us to preserve our current level of revenue while meeting our management objectives during water shortages? What proportion of customer bills will increase (or decrease) under our proposed rates?* The development of effective water rates, and the **Rate Design Module** is designed to help you answer them. There are other questions that the **Rate Design Module** is not able to answer. These include questions like: *What is the likelihood we will meet our one-year, three-year, five-year revenue goals? What is the likelihood we will meet our one-year, three-year, five-year revenue goals? What level of confidence can we have that our sales will exceed our minimum revenue goals?* For near-term water sales forecasting the key uncertainties are weather, growth of accounts, and possible rate changes. The **Revenue Simulation Module** is designed to help answer sales revenue planning questions addressing risk and uncertainty. It uses historical data about future account growth and risk of water use curtailment to simulate your water demands and sales revenues over a five-year period under various conditions. Using the **Rate Simulation Module** you can assess how well or poorly your current or proposed rates are likely to perform.

AWE Sales Forecasting and Rate Model

- Our free public domain model addresses this deficiency:
 - ✓ *Customer Consumption Variability*—weather, drought/shortage, or external shock
 - ✓ *Demand Response*—Predicting future block sales (volume and revenue) with empirical price elasticity's
 - ✓ *Drought Pricing*—Contingency planning for revenue neutrality
 - ✓ *Probability Management*—Risk theoretic simulation of revenue risks
 - ✓ *Fiscal Sustainability*—Sales forecasting over a 5 Year Time Horizon
 - ✓ *Affordability*—Can customers afford water service?



Bill Impacts Screenshot

Affordability Indicator

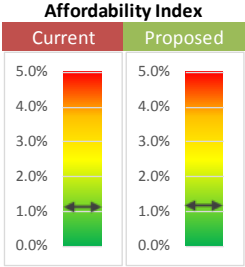
Avg and median bill impacts

3. Bill impacts of Proposed rates

Under the Proposed rates, the volume charge may go up for some customers and down or stay the same for others. The Bill Impacts Table shows the percentage of bills that will go the same, or go up -- and by how much. Charts showing the distribution of bill impacts for each customer class are provided on the Bill Impacts worksheet.

Customer Class	% Change in Average and Median Annual Water Service Cost by Customer Class					
	Average Annual Water Service Cost			Median Annual Water Service Cost		
	Current	Proposed	% Change	Current	Proposed	% Change
Single Family	\$777	\$804	3.4%	\$650	\$672	3.3%
Multi Family	\$4,254	\$4,294	0.9%	\$1,930	\$1,942	0.6%
CII	\$3,323	\$3,382	1.8%	\$1,481	\$1,504	1.5%
Landscape	\$5,599	\$6,007	7.3%	\$2,503	\$2,720	8.7%
Not in use						
Not in use						

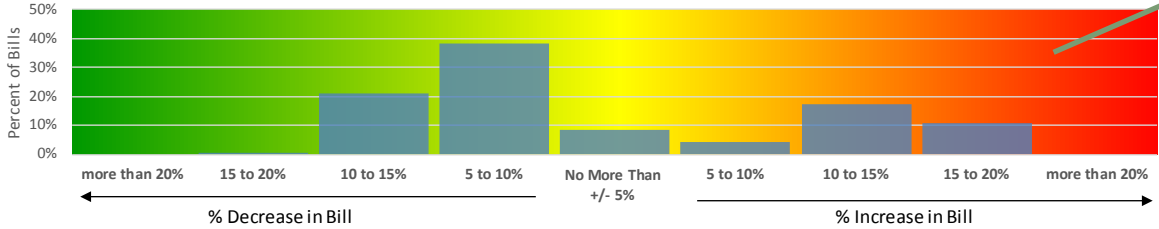
Affordability index equals the median annual water cost for the primary residential customer class divided by median household income.



Customer Class
Single Family
Multi Family
CII
Landscape
Not in use
Not in use

Customer Class	Bill Impacts Table								
	% of bills decreasing by				No More Than	% of bills increasing by			
	more than 20%	15 to 20%	10 to 15%	5 to 10%	+/- 5%	5 to 10%	10 to 15%	15 to 20%	more than 20%
Single Family	0%	0%	21%	38%	9%	4%	17%	11%	0%
Multi Family	0%	1%	38%	25%	4%	4%	18%	12%	0%
CII	0%	0%	25%	20%	28%	7%	9%	10%	0%
Landscape	0%	0%	26%	12%	33%	2%	6%	20%	0%
Not in use									
Not in use									

Single Family Customer Class Bill Impact Histogram



Bill Impact Histograms

Specifying Curtailment Levels

Requested curtailment level by stage

1. Specify Curtailment Levels for Drought/Shortage Stages

1. Enter the Customer Class curtailment levels for each stage. If you have more than 4 stages, enter the last curtailment level in the unused stages. Stage 0 is the default No Shortage condition. Do not modify the settings for this stage.
2. For each stage, enter the expected compliance rate. The compliance rate can vary by stage. For example, stages with voluntary curtailment may have lower compliance than stages where curtailment is mandatory and enforced. The expected curtailment level for a stage is the product of the stage's curtailment level and the expected compliance rate.

Customer Class	Drought/Shortage Stage Customer Class Curtailment Levels Table					Expected Curtailment				
	Stage 0	Stage 1	Stage 2	Stage 3	Stage 4	Stage 0	Stage 1	Stage 2	Stage 3	Stage 4
Single Family	0%	10%	15%	20%	25%	0%	8%	12%	17%	21%
Multi Family	0%	10%	15%	20%	25%	0%	8%	12%	17%	21%
CII	0%	0%	10%	20%	25%	0%	0%	8%	17%	21%
Landscape	0%	0%	10%	20%	25%	0%	0%	8%	17%	21%
Not in use	0%					0%	0%	0%	0%	0%
Not in use	0%					0%	0%	0%	0%	0%
Enter Expected Compliance %	100%	80%	80%	85%	85%					

Expected compliance rate

Expected curtailment

Designing Drought Rates

Rate Design Tables

Rate Performance Indicators

Drought Stage Selector

2. Rate Performance by Drought/Shortage Stage

The tables in this section hold two sets of rates. Your proposed rates are carried over from Step 3. These rates can be modified on this worksheet. They provide the point of reference for calculating the revenue impacts of drought stages. The Stage rates are the rates that would apply for a given drought/shortage stage. To see how your Proposed rates would perform in a drought stage, click the Reset Drought Stage Rates to Proposed Rates. This will copy your Proposed rates into the tables for the Stage Rates. You can then use the Select Drought Stage drop-down list to cycle through the drought stages and see how your sales revenue would be impacted by each stage. Impacts to annual sales volume and revenue for each Customer Class are summarized to the right of the rate tables. You can adjust the Stage Rates to see how your annual sales volume and revenue would respond. You can adjust the size or number of blocks as well as the rates for each block. You can use trial and error to find rates appropriate to each drought/shortage stage, or you can use Excel's goal-seek or solver functionality to do this. Section 3 provides a calculator that can quickly identify rates for a given drought/shortage stage that are revenue neutral.

Select Drought Stage

Stage 2

Impact of Drought Stage Rates
Relative to Proposed Rates

Rate Performance by Customer Class

Annual Sales Volume

	Proposed	Stage 2	% Change
CCF	8,913,705	7,844,060	-12.0%

Annual Sales Revenue (Thou. \$)

	Proposed	Stage 2	% Change
Service	\$12,263	\$12,263	0.0%
Volume	\$27,744	\$24,415	-12.0%
Total	\$40,007	\$36,678	-8.3%

Annual Sales Volume (% Change)	Annual Service & Volume Revenue (% Change)
1.2	1.2
1	1
0.8	0.8
0.6	0.6
0.4	0.4
0.2	0.2
0	0

Single Family

Off Peak Season

Proposed Rates

Stage 2 Rates

Block	Rate (CCF)	Rate (\$/CCF)	Block	Rate (CCF)	Rate (\$/CCF)
Block 1	5	\$2.50	Block 1	5	\$2.50
Block 2	10	\$2.50	Block 2	10	\$2.50
Block 3	15	\$2.50	Block 3	15	\$2.50
Block 4	15	\$2.50	Block 4	15	\$2.50
Block 5	15	\$2.50	Block 5	15	\$2.50

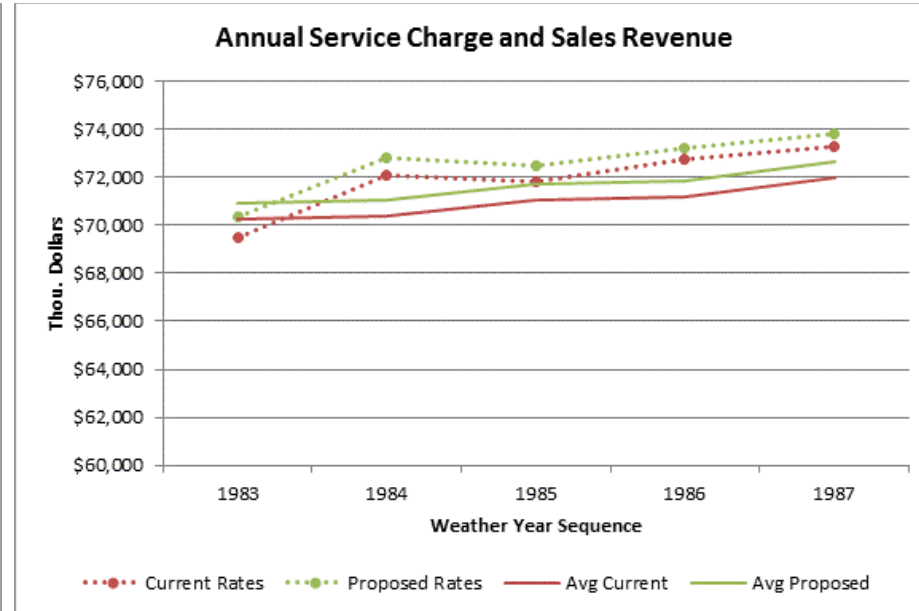
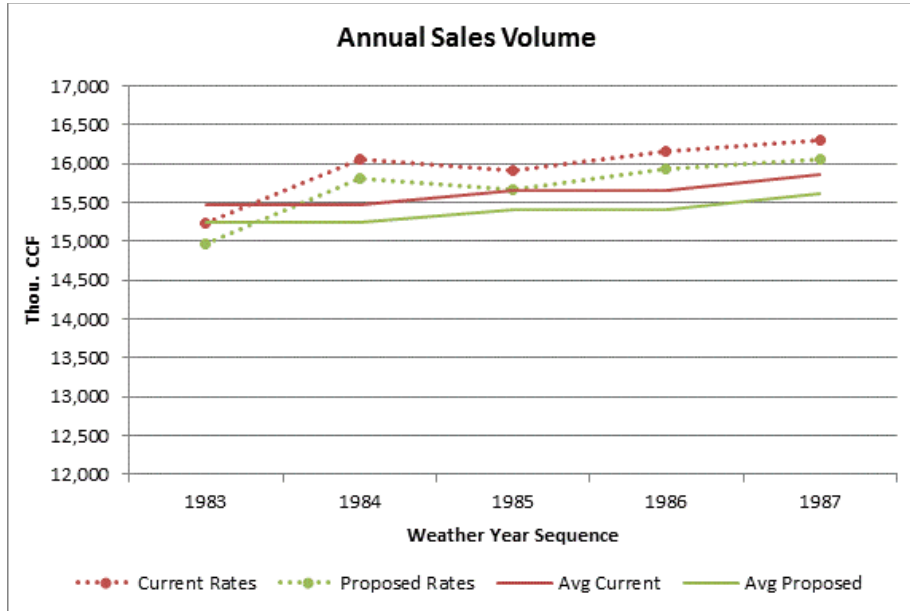
Peak Season

Proposed Rates

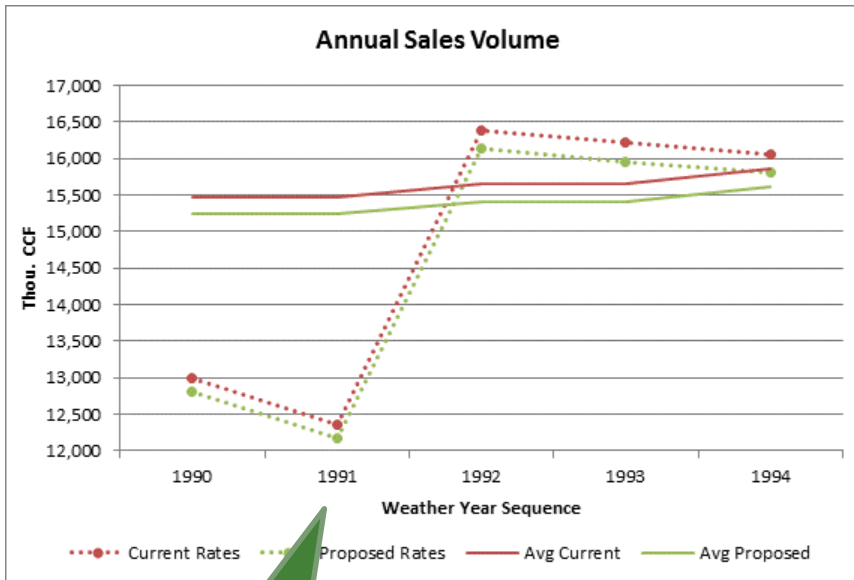
Stage 2 Rates

Block	Rate (CCF)	Rate (\$/CCF)	Block	Rate (CCF)	Rate (\$/CCF)
Block 1	5	\$3.75	Block 1	5	\$3.75
Block 2	10	\$3.75	Block 2	10	\$3.75
Block 3	15	\$3.75	Block 3	15	\$3.75
Block 4	15	\$3.75	Block 4	15	\$3.75
Block 5	15	\$3.75	Block 5	15	\$3.75

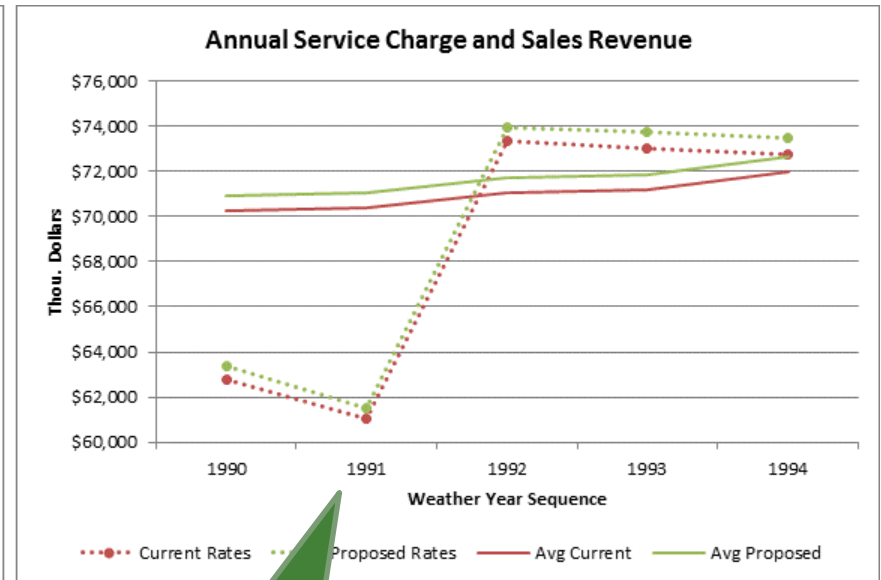
Are Future Sales and Revenue Uncertain?



Do Drought Restrictions affect Sales?

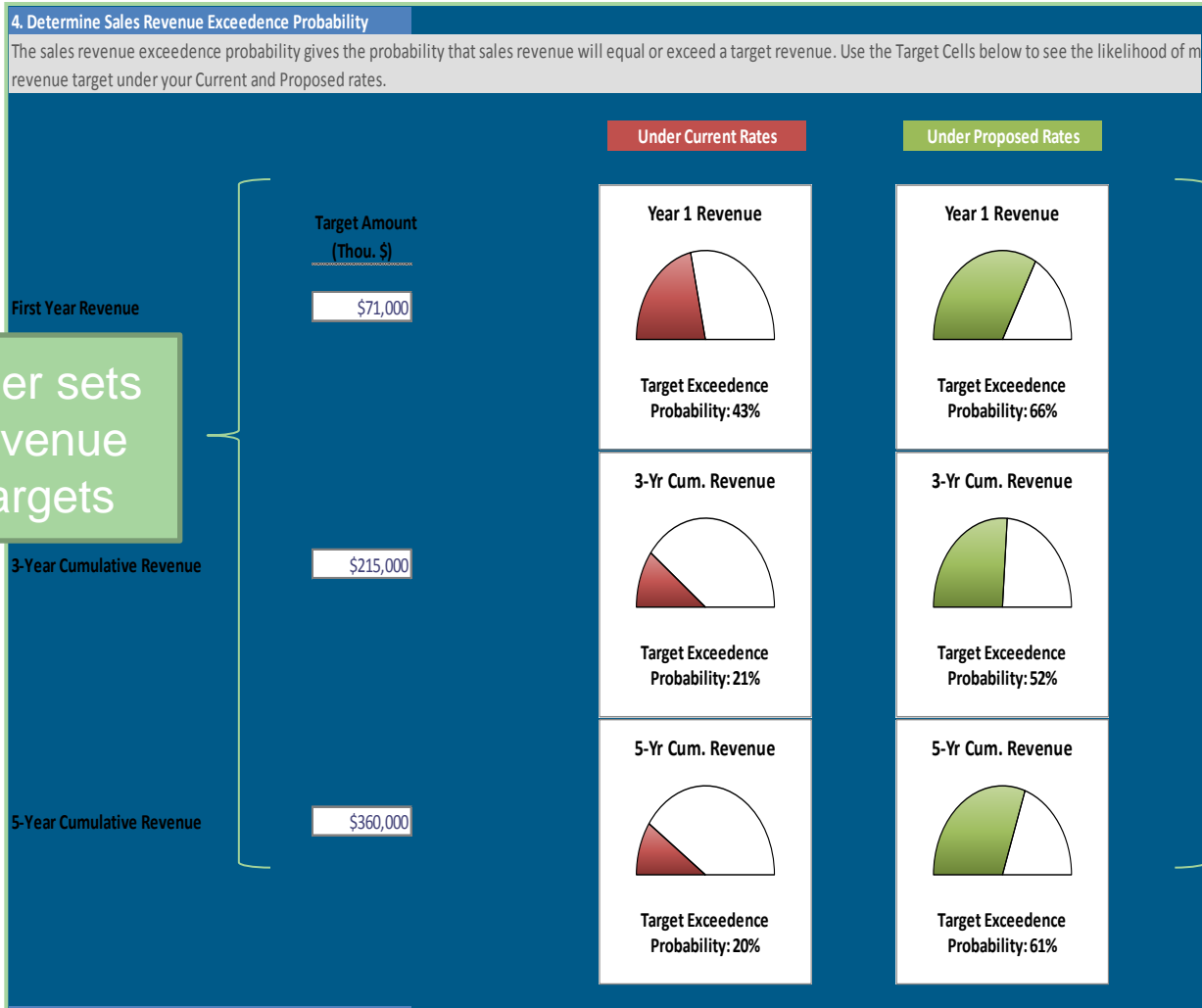


1991: End of 5- Year Drought



1991: End of 5- Year Drought

Examining Exceedence Probabilities

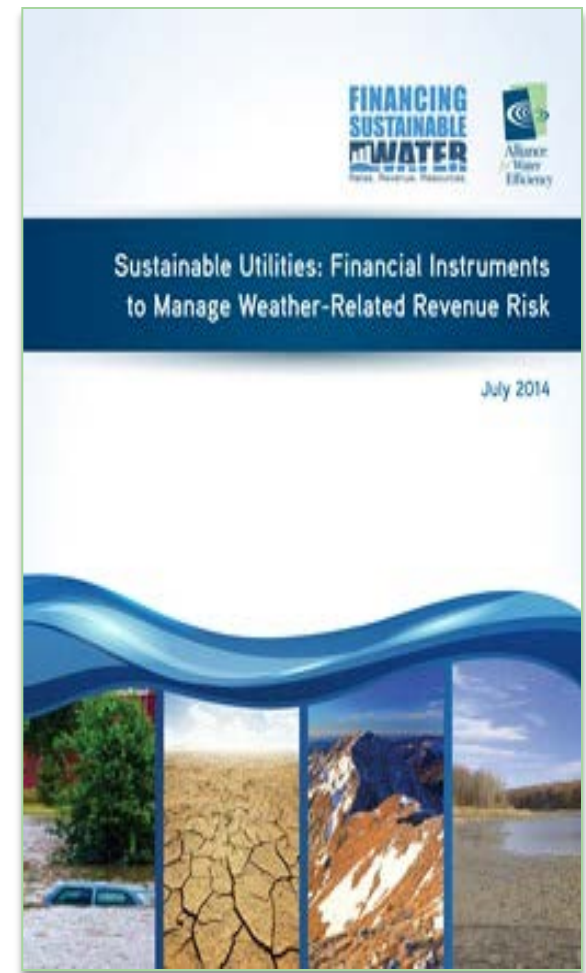


User sets revenue targets

Model calculates likelihood of meeting or exceeding target

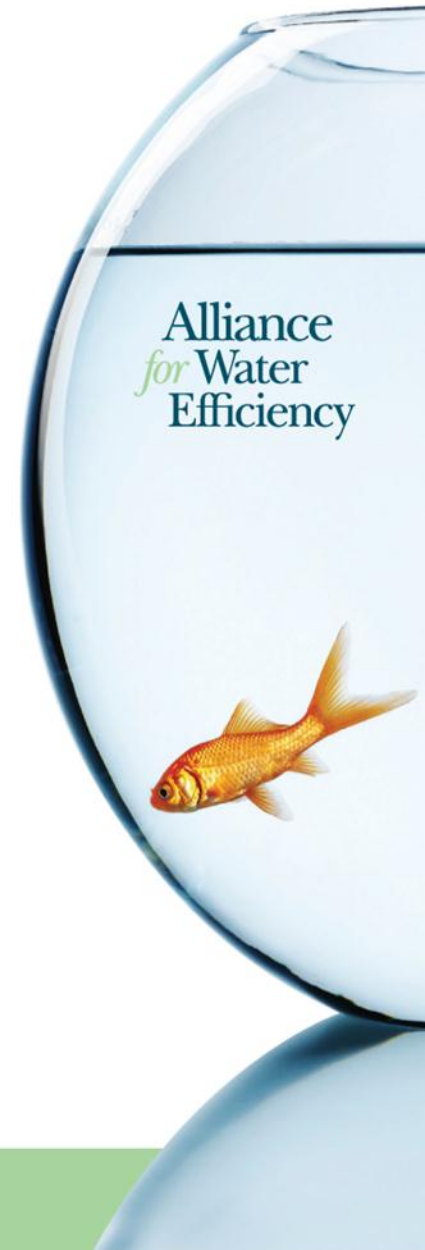
Managing Weather Risk

- Wide swings in revenue between wet years and dry years
- Need to explore market-based financial tools for managing weather risk (insurance, derivatives)
- Example: municipal snow removal insurance
- AWE published white paper in July, 2014
- Posted at www.a4we.org



Project Timeline

- PAC of California Finance Water Agency Managers finished review of Handbook and Model in June, 2014
- Revisions made to both products
- Official Launch date: Next week!!
- Download from AWE website at www.a4we.org
- Library of Case Study examples being developed
- Partnering with pilot communities desired



Outreach

- Free public domain resources
- Free Webinar on September 9
- On-site Water Agency Workshops (California, Texas)
- ACWA Rates panel December, 2014
- Web Site Launch Fall, 2014 at financingsustainablewater.org
- Communications Tools will be finished in December, 2014





Rates. Revenue. Resources.

Financing Sustainable Water is an initiative of the Alliance for Water Efficiency that was created to provide practical information to guide utilities from development through implementation of rate structures that balance revenue management, resource efficiency and fiscal sustainability. Headquartered in Chicago, the Alliance serves as a North American advocate for water efficient products and programs, and provides information and assistance on water conservation efforts. [Learn More](#)



WATER MANAGERS

Sustainable financial management guidance



ELECTED OFFICIALS

Set your water utility up for success



MEDIA

Get key facts on today's water challenges



CONCERNED CITIZENS

Learn how you can help create a sustainable water future



RATES HANDBOOK

Building Better Rates for an Uncertain World



RATE MODEL

Sales Forecasting and Rate Model

RECENT NEWS

- [Water or Water Service?](#) »
- [Demand Forecasting 101](#) »

FEATURED RESOURCES

- [Case Study](#)
Budget-based Rates
- [Case Study Hover Example](#)
New case study title here



Alliance *for* Water Efficiency

**FINANCING
SUSTAINABLE
WATER**
Rates. Revenue. Resources.

A VOICE AND
A PLATFORM
PROMOTING THE
EFFICIENT AND
SUSTAINABLE
USE OF WATER



www.a4we.org

(773) 360-5100

CHICAGO

Monte Vista Water District's Budget-Based Rate Structure



San Bernardino County Water Conference

August 22, 2014

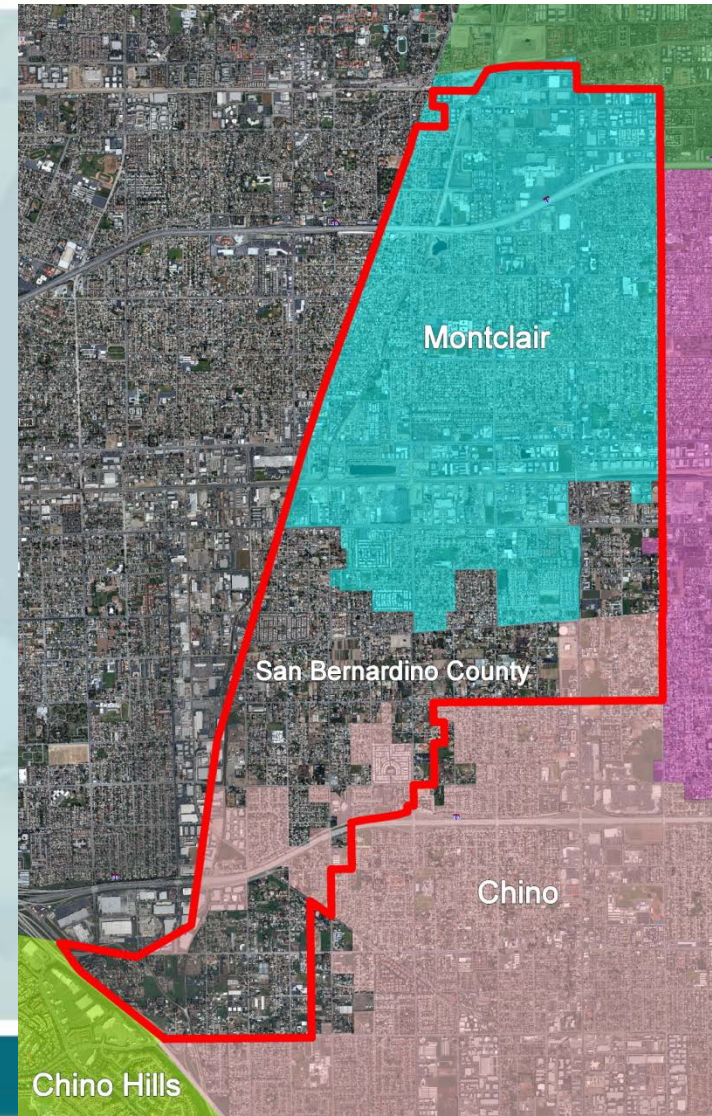
Who We Are

💧 County Water District

- Formed 1927
- Retail & Wholesale Service Areas
- 130,000 Population

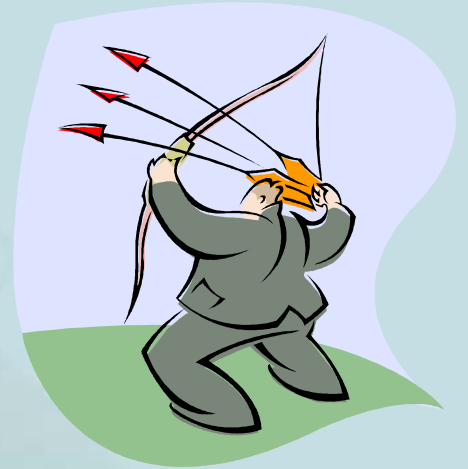
💧 12,000 Retail Customers

- Cities of Montclair, Chino (portions), County
- 85% Residential Accounts



Rate Development Objectives

- ◆ Fund Operations, Maintenance and Capital Replacement Programs
- ◆ Maintain Adequate Reserves
- ◆ Meet Established State Water Use Efficiency Requirements
- ◆ Gradual, Multi-Year Implementation of Rate Increases to Avoid “Rate Shock”
- ◆ Mitigate Tiered Rate Impact on Large Lots
- ◆ Maintain Adequate Funding with Reduced Demand and Separate Conservation Fund



Budget Rate Timeline

- ◆ **August 2009** Board of Directors authorizes staff to develop rate model using water budget-based tiered rate approach
- ◆ **January 2010** Board adopts three-year rate schedule
- ◆ **August 2010** Budget-based rates go into effect
- ◆ **April 2012** Board reviews and approves adjustments to rate schedule/allocation
- ◆ **June 2012** Board adopts new three-year rate schedule with allocation adjustments
- ◆ **January 2013** New rate schedule/allocation in effect

Water Budget Assumptions

Tier 1 – Indoor Allocation

💧 4 Persons Per Household (pph)

- City of Montclair **3.86 pph***
- City of Chino **3.46 pph***
- SB County **3.31 pph***

*California Department of Finance Housing Estimates, 2013

💧 65 Gallons Per Day (gpd) Per Person

- Average Indoor Use **54-62 gpd****

**Aquacraft California Single-Family Water Use Efficiency Study, 2011

Water Budget Assumptions

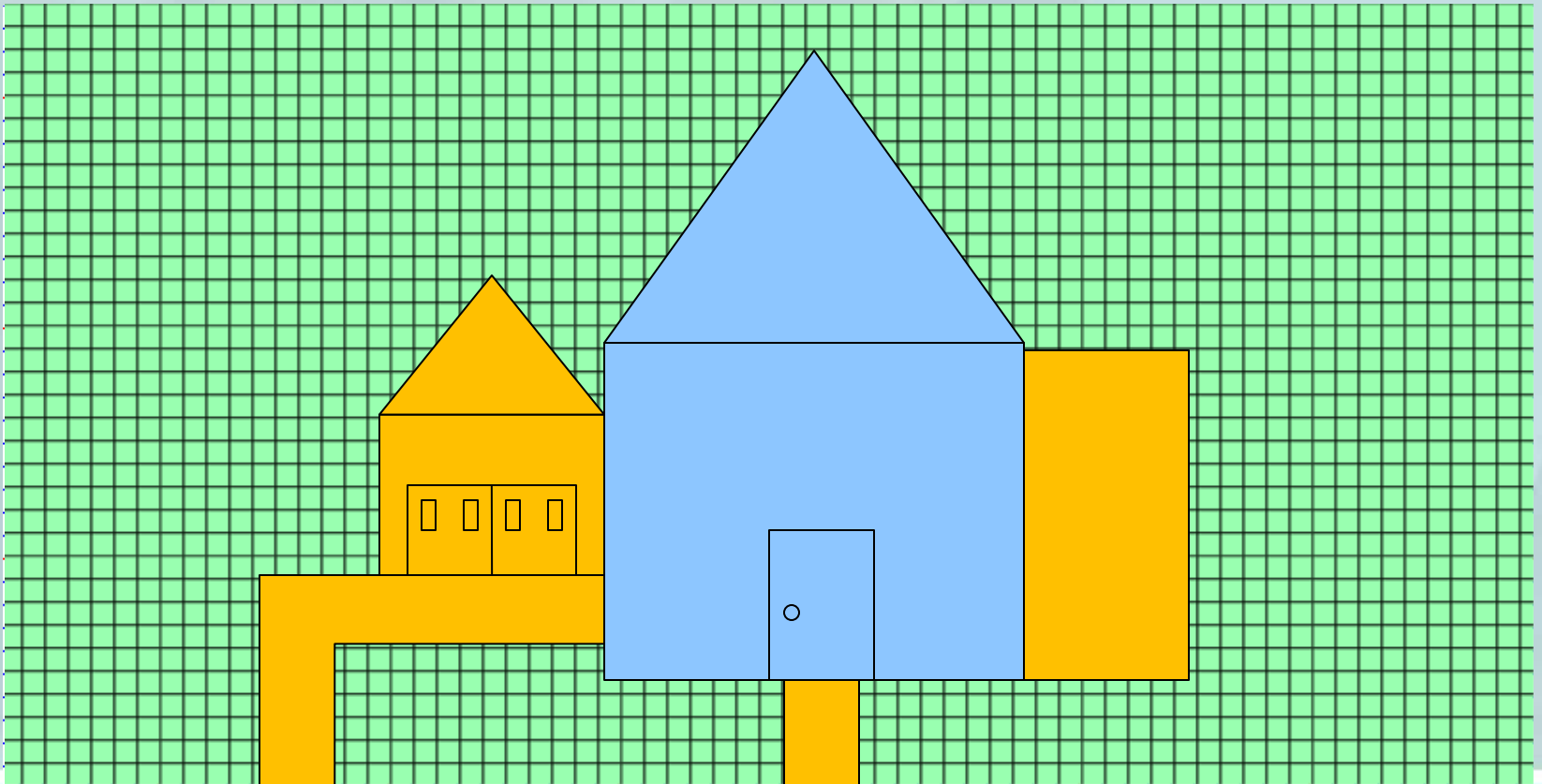
Tier 2 – Outdoor Allocation

💧 Landscaped Area

- **Lot Size - Dwelling Footprint - Hardscape**
- **County Assessor's Office Parcel Data**
 - Size of Parcel
 - Footprint of Original Structure (first story)
- **Hardscape = 20% of Remaining Parcel**
 - e.g, additions, garages, carports, driveways, sidewalks, patios, sheds, etc.

Water Budget Assumptions

Tier 2 – Outdoor Allocation



Water Budget Assumptions

Tier 2 – Outdoor Allocation

💧 Up to **45 inches** of Water per Square Foot of Landscaped Area

➤ Pomona CIMIS Station **48 inches** per year*

➤ Minimum Rainfall – **3 inches** per year

*California Irrigation Management Information System (CIMIS)

💧 Seasonal Adjustment

Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	Total
10%	7%	13%	25%	25%	20%	100%

Water Budget Assumptions

Tier 3 – Inefficient Usage

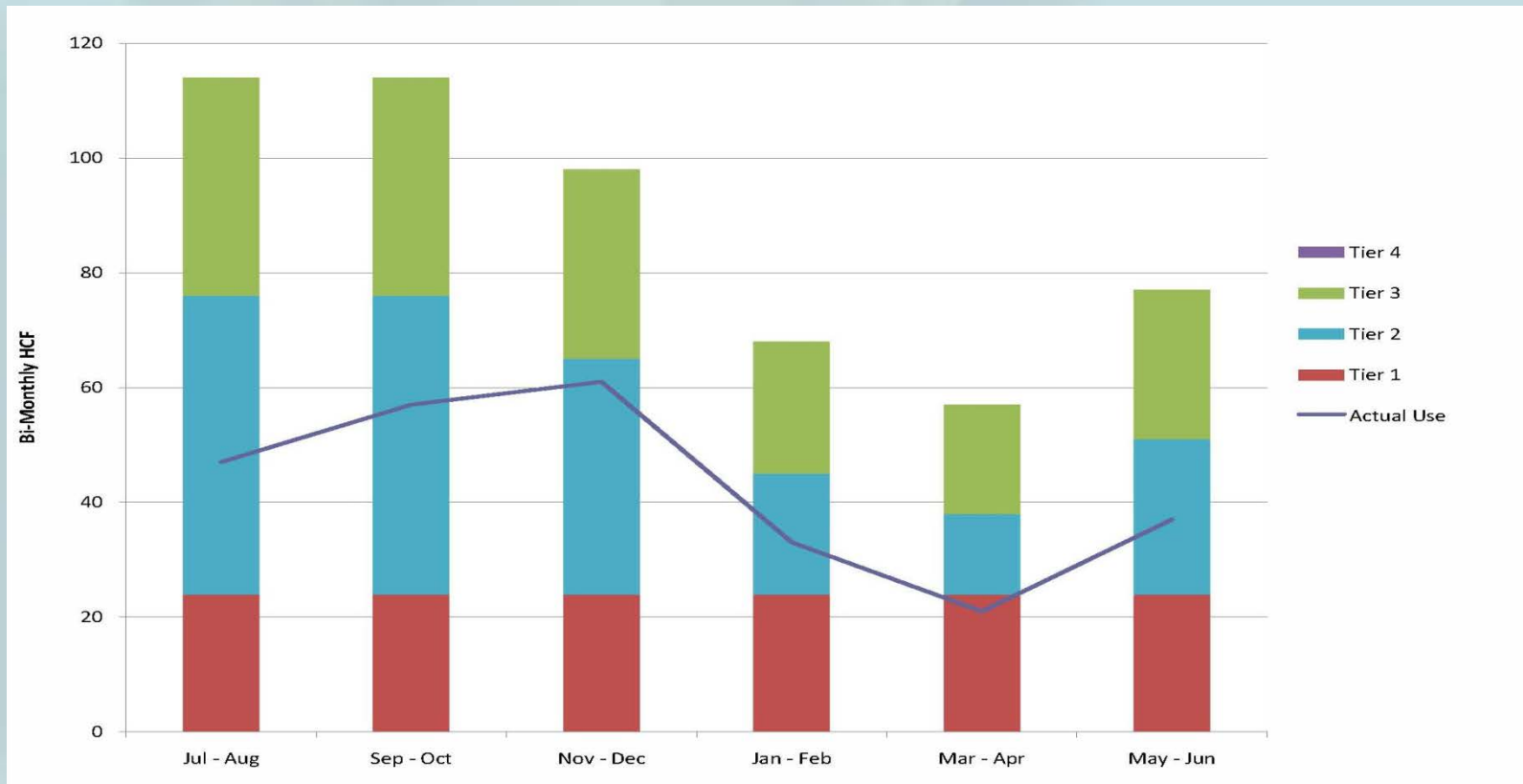
- 💧 Water Use Above Tier 1 & Tier 2
- 💧 Allocation = $\frac{1}{2}$ Tier 1 + $\frac{1}{2}$ Tier 2

Tier 4 – Excessive Usage

- 💧 Water Use Above Tier 3
- 💧 Separate Water Conservation Fund

Water Budget Assumptions

Sample Customer's Allocation vs. Usage



Variance Categories

💧 Indoor Variances

- People Per Household
- Licensed Care Facility
- Medical Needs



💧 Outdoor Variances

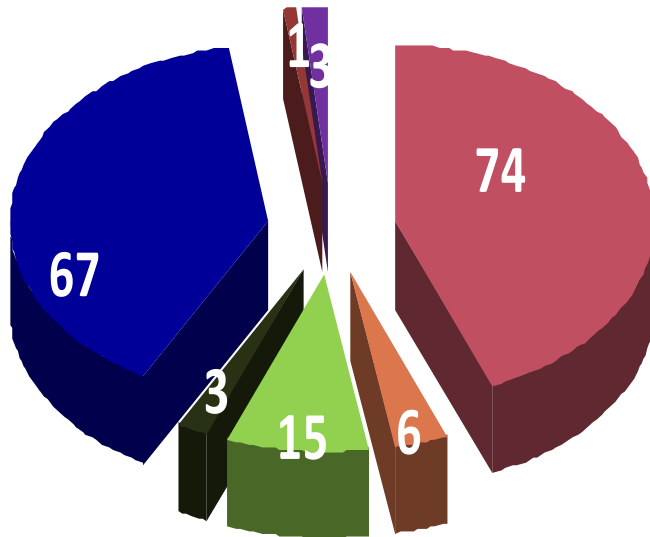
- Landscape Area
- New Landscaping
- Livestock/Large Animals
- Pool Refilling
- Leaks



💧 Other

Customer Variance Requests

Processed Variances



- People Per Household
- Leaks
- Large Animals
- Medical Needs
- Pool Refilling
- Landscape Area
- New Landscaping



For Office Use Only:
 Account #: _____
 Approved/ Denied: _____ Date: _____
 Processed: _____ Date: _____
 Tier 1 Adjustment: _____ units
 Tier 2 Adjustment: _____ units

Application for Water Budget Variance

This form is to request an adjustment in water budget allocation under the District's budget-based tiered rate structure for single-family residential customers. If you believe you need an increased allocation based on the criteria listed below, you must complete and return this form in its entirety. Incomplete applications, including applications without requested supporting documentation, will be returned without review. The budget-based tiered rate structure is designed to reward those who use water efficiently with lower rates, as well as to assist customers in identifying leaks and over-watering. Variances may be approved only for the reasons listed on this application and are subject to periodic review by the District.

Account Name: _____ Account Number: _____

Service Address: _____

I request an increased water allocation for the following reason(s):

- 1. More than Four (4) Full-Time Residents in Household** Total number in household: _____
Please list the names, ages, and relationships for all full-time, year-round household residents on the reverse side of this application. **The District reserves the right to require documentation or other verification for any full-time resident.**
- 2. Child, Adult, or Elder Care Facility** Total persons currently cared for: _____
Please submit a copy of a current and valid license issued by California Department of Social Services. Other forms of documentation for unlicensed but valid and legal care facilities will be considered for approval on a case-by-case basis.
- 3. Medical Needs** Estimated gallons per day required: _____
Please submit medical documentation. Documentation examples: letter from health care provider, medical device receipt, etc.
- 4. Irrigated Landscape Area Greater than District Estimate** Actual landscape area (sq.ft.): _____
Please submit a drawing of your property area using the graph provided on the reverse side of this application.
- 5. Establishment of New Landscaping** New or rehabilitated landscape area (sq.ft.): _____
Please submit permit or a drawing of your landscape area using the graph provided on the reverse side of this application.
- 6. Pool Requires Refilling** Date you will refill pool: _____ Total capacity of pool (gallons): _____
- 7. Livestock and Large Animals (100+ pounds)** Type(s): _____ # of animals: _____
- 8. Leaks** Date leak fixed: _____
Please submit documentation of leak fix. Documentation examples: before/after photographs, receipt for plumbing repair, etc.
- 9. Other Circumstance** – There may be instances where an increased allocation on a permanent or temporary basis may be appropriate. If you believe that is the case please provide details on a separate page and attach any available documentation.

I affirm, under penalty of perjury, that I am the above account holder and the information contained herein, including supporting documentation, is complete and accurate. I further understand that all variances are subject to change and I may be liable for back charges if I provide incorrect information.

Signature (unsigned applications are automatically denied) _____ Date _____
 Daytime Phone Number (8am – 5pm) _____ Email (optional) _____

Please return to:
 Monte Vista Water District
 Attn: Customer Service Dept.
 P.O. Box 71
 Montclair, CA 91763
 Fax #: 909-624-4725

Please allow 30 days to process your variance request. Once approved and processed, variances will be applied to FUTURE BILLINGS and will NOT be retroactively applied. Please provide contact information if there are questions about your application.

Administrative Costs

● Staff Labor	\$95,000
● Hardware/ Software Upgrades	\$25,000
● Custom Programming	\$ 6,000
● Billing Creation & Distribution	\$ 5,000
● Customer Communications	<u>\$14,000</u>
	\$145,000

Benefits vs. Concerns

💧 **Benefits**

- Focus on Efficiency
- Customer Engagement
- Revenue Stability

💧 **Concerns**

- Hard to Explain
- High Bills
- Difficulties with Billing System



Questions?

💧 **Stephanie Reimer**
Controller
sreimer@mvwd.org

💧 **Justin Scott-Coe**
Public Affairs Director
jscottcoe@mvwd.org

(909) 624-0035
www.mvwd.org



Volumetric Rates (HCF)

Single-Family Residential	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015
Tier 1	\$1.704	\$1.704	\$1.755
Tier 2	\$2.043	\$2.145	\$2.253
Tier 3	\$2.846	\$3.130	\$3.443
Tier 4	\$4.763	\$5.478	\$6.299
All Other Customers	Effective January 1, 2013	Effective January 1, 2013	Effective January 1, 2013
Domestic	\$1.994	\$2.073	\$2.183
Recycled	\$1.496	\$1.554	\$1.637