

NOTICE AND CALL OF SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
MOULTON NIGUEL WATER DISTRICT  
27500 La Paz Road, Laguna Niguel

**July 14, 2011**

**9:00 a.m.**

**Approximate Meeting Time: 1-1/2 to 2 Hours**

**(CITIZENS' ADVISORY COMMITTEE)**

**NOTICE IS HEREBY GIVEN** that a Special Meeting of the Board of Directors of the Moulton Niguel Water District ("MNWD") has been called by the President of the Board to be held on Thursday, July 14, 2011, at 9:00 a.m., at MNWD's Administrative Offices located at the address above. The following business will be transacted and is the Agenda for this Special Meeting:

**AGENDA**

1. Call Meeting to Order
2. Public Comments (on **Agenda** matters only)  
*Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time. (As required by law, public comments during a Special Meeting may address only specific items listed on the agenda, no other matters.)*

**PRESENTATION ITEMS**

3. Water-Budget-Based Rate Structure (WBBS)  
Mr. Charles Roy, Director of Customer Service and Mr. Tom Ash, HydroPoint
  - Overview of the New Rate Structure
  - Educational Outreach Efforts

**INFORMATION ITEMS**

4. Asset Management Planning - What is it and what is MNWD doing?
5. Enterprise Resource Planning - What is it and what is MNWD doing?
6. Planned Enhancements for the MNWD Board Room
7. Update on the Bay-Delta
8. Suggestions for future CAC Meetings
9. Distribution of Educational Brochures

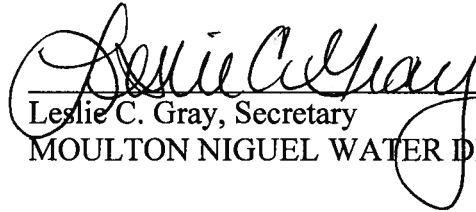
**(SPECIAL MEETING – NO ADDITIONS)**

10. Adjournment

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 643-2006 at least forty-eight (48) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than 24 hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room.

I hereby certify that the foregoing Notice was personally delivered, faxed, mailed or e-mailed to each member of the MNWD Board of Directors at least 24 hours prior to the scheduled time of the Special Meeting so noticed above; and posted 24 hours prior to the time of the Special Meeting at the usual agenda posting location of MNWD.

  
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Leslie C. Gray, Secretary  
MOULTON NIGUEL WATER DISTRICT

# Water-Budget-Based RATES At a Glance

## Every MNWD customer has unique water needs.

Typically, more water is necessary for large homes than condominiums, and businesses use water in differing ways. That is why the District is changing our billing rate structure to provide each customer with a personalized amount of water – a water budget – designed to meet their specific indoor and outdoor watering needs. The move will help customers become more efficient with our region's limited water resources and help the District stabilize finances moving forward.



### Individual Water Budgets

Every MNWD customer will receive a customized amount of water – a water budget – to meet their specific water needs. This amount is calculated for residential customers based upon a survey the District conducted of each customer's lot size and landscaped area, the number of residents in each home and localized weather data, among other factors. Businesses, however, use water in a different manner from homes, so their budgets will be based on a three-year rolling average of each commercial customer's water use.



### Efficiency Rewarded

The new system will reward efficient water use. Customers whose water use remains within their water budgets will be billed at the lower rates.



### Water Waste Penalized

Only customers who exceed their water budgets will be billed at higher rates. Any additional revenue will be used to fund water efficiency programs. Customized water budgets are created to make sure customers have the water they need, and we're here to help you identify steps to save water and money by remaining within your water budget.



### Freedom to Use Water as You Choose

The new rate structure means the end to three-day-per-week watering restrictions. Customers have the freedom to use their water budgets as they see fit. If you'd rather water your lawn more and use less water elsewhere that's fine, as long as your overall use remains within your customized budget.



### Rates Not Tied to Water Shortage

The move to Water-Budget-Based Rates brings more stability to your water bill. It will allow MNWD to price water based on our true fixed and variable costs, which means the District will be able to sell less water as customers achieve greater efficiency, without automatically triggering a rate increase.



# Your Questions Answered



## **Why is MNWD moving to Water-Budget-Based Rates?**

The change to Water-Budget-Based Rates brings more fairness and equity to the water billing process and will help to stabilize the District's finances moving forward. Water-Budget-Based Rates allow the District to reward customers who use water wisely with the lower rates and apply the higher rates only to customers who exceed their water budgets. The new system is fair because it gives each customer a specific amount of water to meet their unique home or business needs.

## **Is the move to Water-Budget-Based Rates a rate increase?**

Water-Budget-Based Rates are intended to generate the same revenue as under the previous rate structure for the District. The move to Water-Budget-Based Rates is a change in the way MNWD calculates rates, but some customers should expect increases in their water bills as a result of adjustments to the fixed base charges and variable consumption rates, to more equitably share the costs of maintaining and replacing infrastructure District-wide. Visit [www.MNWD.com](http://www.MNWD.com) to calculate your customized water budget and see how your water bill may change under the new rate structure.

## **How are water budgets calculated?**

Each customer's individualized water budget is based on their specific lot size, landscaped area, the number of residents in the home and localized weather data, among other factors. The budget assumes your entire landscaped area is water-thirsty grass, so you'll automatically benefit if you've planted flowers, shrubs or trees. You will benefit even more if you have planted drought-tolerant, California-Friendly plants. The monthly water budget also adjusts with the weather, so you always have enough water to efficiently meet your needs as they change throughout the year. Visit [www.MNWD.com](http://www.MNWD.com) to calculate your customized water budget and see how your water bill may change under the new rate structure.

## **Is my water budget the same as everyone else?**

No. Every residential customer has a customized water budget based upon their home type, lot size and other factors. Every commercial customer has a unique water budget as well, based on a three-year rolling average of their water use.

## **What if I need more water than my monthly water budget allows?**

Customer input is key to a successful Water-Budget-Based Rate Structure. To make sure water budgets are as accurate as possible, you are encouraged to review your water bill and schedule an appointment with a MNWD conservation representative if you feel your budget requires an adjustment. We're here to make sure your budget accurately reflects your water needs. Call us at (949) 831-2500.

## **Will I be penalized under the new rate structure if I get a leak?**

If the leak takes your use above your water budget, there would be higher charges for the wasted water. But if the leak is fixed before the next bill, you can request a credit by contacting Customer Service at (949) 831-2500.

## **How does a swimming pool fit in into my water budget?**

Pools evaporate and lose water at a rate similar to a lawn of the same size, so pools are accounted for in customers' water budgets. Refilling a pool, however, may push your use above your water budget and result in higher charges. Customers can request a credit to fill their pools once every three years.

## **How can I reduce my water use if I consistently go over my water budget?**

We're here to help make sure our customers use water efficiently. Please call the District at (949) 831-2500 to set up an appointment for a conservation representative to visit your home. We can review your outdoor watering practices, discuss your indoor use and make recommendations on easy ways to save water and money by becoming more efficient.

## **Didn't MNWD just raise its rates?**

The MNWD Board approved a three-year water and sewer rate increase in May 2009. The Water-Budget-Based Rate Structure replaces only the water portion of that rate model. Sewer rates remain unchanged. The Water-Budget-Based Rate Structure is designed to generate the same revenues for the District in fiscal year 2011-2012 as under the previous rate structure.

# Understanding Water-Budget-Based Rates

## ***The Water-Budget-Based Rate Structure applies to water used beginning July 1, 2011***

Every MNWD customer has unique water needs. Typically, more water is necessary for large homes than condominiums, and businesses use water in differing ways. That is why the District has changed our billing rate structure so that it provides each customer with a personalized water budget designed to meet their specific indoor and outdoor water needs. Those who are efficient use the lowest-cost water and pay the lowest rates, seeing only a minor increase in their water bills. Customers who are inefficient pay more for the increasing cost of the water they waste, which gives them the incentive to do their part to help manage our region's limited water resources.

The Water-Budget-Based Rate Structure was approved by the Board of Directors on April 21 and applies to water used beginning July 1, 2011. Read below to learn why we are changing rate structures, how it benefits our customers and what this means for your bill.

## **Water-Budget-Based Rates at a Glance**

### **1. Designed to Meet Your Needs**

Every MNWD customer receives a personalized water budget each month designed to meet their specific indoor and outdoor water needs, which means that no matter the size of your household or yard, you should be able to remain within your water budget and pay the lowest available price.

Residential water budgets are calculated based on each customer's lot size, landscaped area, real-time localized weather data, and the number of residents in each home, among other factors. Residential water budgets vary from month to month based upon the weather. Businesses, however, use water in a different manner from homes, so their budgets are based on a three-year rolling average of each commercial customer's water use and see how your water bill may change.

### **2. Efficiency Rewarded with Low Bills**

Customers whose water use remains within their water budgets are billed at the lowest available rates, and customers who exceed their water budgets are billed at higher rates for the amount of water they use above their water budget.

However, all customers will see a minor increase in their water bills of \$0.03 per billing unit (1 Bu=748 gallons). This small increase is necessary to more equally share the true cost of purchasing water between our residential, commercial and irrigation customers.

### **3. Freedom to Use Water as You Choose**

The rate structure means the end to three-day-per-week watering restrictions.

Customers now have the freedom to use their water budgets as they see fit. If you would rather water your lawn more and use less water elsewhere that's fine, as long as your overall use remains within your customized budget.

#### 4. Flexibility Ensured

We're committed to making sure everyone has a customized water budget that provides the water necessary to meet their efficient needs. The Water-Budget-Based Rate Structure includes simple steps to adjust the water budget established for your home or business, should there be a legitimate need for more water.

All you have to do is call the District at (949) 831-2500 to provide some basic information, and we'll do the rest.

### What Water-Budget-Based Rates Mean for Customers

The impact of on the Water-Budget-Based Rate Structure varies for each residential and commercial customer based upon their actual water use, size of meter and the customized water budget for their property. Customers who use water efficiently will only see an increase of \$0.03 per 748 gallons, and many may see lower bills due to their efficient practices. This small increase is necessary to more evenly share the cost of purchasing water between our residential, commercial and irrigation customers. *The only customers who may see a significant increase in their water bills due to the Water-Budget-Based Rate Structure are those who exceed their water budgets*, and the District will work closely with them to help reduce their water use and lower their water costs.

Please note the MNWD Board of Directors approved a series of three 16.2 percent water and sewer rate increases in 2009 due to dramatically rising costs for the water we purchase and for ongoing repair and replacement of our infrastructure. The last of those increases will occur on June 1, 2011. The Water-Budget-Based Rate Structure is not related to that measure, and will only raise rates \$0.03 per unit for customers who use water efficiently.

### Your Questions Answered

For your convenience, we've divided these Frequently Asked Questions into three sections:

- **Water costs and water rates** – Basic background information that's necessary to understand what's happening with the Water-Budget-Based Rates.
- **Calculating water budgets** – What goes into establishing your water budget under the Water-Budget-Based Rate Structure.
- **How Water-Budget-Based Rates work for customers** – Details on routine and not-so-routine matters that could affect your water budget.

## **Water Costs & Water Rates**

### **Why did MNWD change to a Water-Budget-Based Rate Structure?**

The District believes that efficient water users should not have to subsidize customers who use water inefficiently. Under the previous billing system, the cost to deliver and treat unnecessary (wasted) water was spread to all customers in the form of higher rates. Beginning July 1, 2011 customers who use water above their base allocation will pay these costs under the Water-Budget-Based Rate Structure. Also, South Orange County is a semi-arid region with virtually no local water supplies and our state faces a serious, long-term water shortage. The rate structure provides customers with a personalized water budget to help them better understand what an efficient level of water use is given their specific situations, so that all of our customers can take part in helping to manage our region's limited water resources.

### **Why will my bill increase even if I stay within my water budget?**

The increase is almost 100 percent a result of the series of three 16.2 percent water and sewer rate increases the MNWD Board of Directors approved in May 2009, not the Water-Budget-Based Rate Structure. The last of those increases will occur on June 1, 2011. The Water-Budget-Based Rate Structure only raises rates an additional three cents per 748 gallons in tiers 1 and 2, when it is implemented on July 1, 2011. This small increase is necessary to more evenly share the true cost of purchasing water between our residential, commercial and irrigation customers. The only customers who may see a significant increase in their water bills due to the Water-Budget-Based Rate Structure are those who exceed their water budgets, and the District will work closely with them to help reduce their water use and lower their water costs.

### **What was the purpose of the 16.2 percent water and sewer rate increase that will begin on June 1, 2011? When was that approved?**

The MNWD Board of Directors approved a series of three 16.2 percent water and sewer rate increases in May 2009 due to dramatically rising costs for the water we purchase and for ongoing repair and replacement of our infrastructure. It was only the District's second rate increase in 20 years, and even with the increases, MNWD still maintains the lowest water rates in South Orange County, and our personnel has not increased.

### **Why is MNWD increasing the basic service charge as well?**

Only a fraction of a percent of our residential customers – those with water meters sized 1.5" and above – will see an increase to their basic service charge beginning July 1, 2011 as a result of the Water-Budget-Based Rate Structure. Nearly every MNWD residential customer has a smaller meter than this, and will not be affected by this increase. The basic service charge increase is necessary to more evenly share the cost of maintaining the District's infrastructure between all of our customers.

### **Would Water-Budget-Rates generate additional revenue for the District?**

MNWD's goal is to not generate additional revenue for the District, and that's what would happen if all of our customers live within their water budgets. If some customers do exceed their water budgets, those revenues will be placed into a separate accounting fund, which will be used to develop programs to help all

customers become more water-efficient. These efficiency program funds will not be used for employee compensation or benefits. The purpose of Water-Budget-Based Rates is NOT to generate additional revenue, but rather to provide customers with a tool so they can better understand what an efficient level of water use is, given their specific situation. The District will work with all customers to help them remain within their personalized water budgets and receive the lowest possible bill.

**If the Water-Budget-Based Rate Structure is designed to generate the same revenues for the District as the previous system, why bother switching?**

The District believes that efficient water users should not have to subsidize customers who use water inefficiently. Under the current billing system, the cost to deliver and treat unnecessary (wasted) water is spread to all customers in the form of higher rates. Under the Water-Budget-Based Rate Structure, only customers who waste water will pay these costs. Also, South Orange County is a semi-arid region with virtually no local water supplies and our state faces a serious, long-term water shortage. The rate structure is designed to provide customers with a personalized water budget to help them better understand what an efficient level of water use is given their specific situations, so that all of our customers can take part in helping to manage our region's limited water resources.

**Why are the rates for tiers three, four and five so much higher than the others?**

Tiers three, four and five are priced higher because the cost of supplying water at these inefficient and unsustainable levels is significantly higher. MNWD hopes the higher pricing gets the attention of the small number of customers who are wasting water and sends a clear economic signal. *Only customers whose water use exceeds their water budgets will be charged the higher tiered rates*, and the District will work closely with these customers to help them reduce their water use and lower their water costs.

**Will sewer rates be affected by this rate structure?**

No, the Water-Budget-Based Rate Structure does not impact sewer rates.

**Why do water rates continue to rise as we use less water?**

It's unfortunate, but it's the result of the higher price we must pay for water, electricity and chemicals. MNWD does not have access to any local water supplies, so we must purchase all of our water from the Metropolitan Water District of Southern California, which imports water from Northern California and the Colorado River. Metropolitan has dramatically raised its rates in recent years because its supplies have been constricted by drought and regulations, but it still must cover its operating expenses. MNWD has absorbed many of these increases, but unfortunately, some of these costs had to be passed on to our customers.

**Did the District consider a flat rate for the cost of water?**

Moving to a flat rate system, where water costs the same price per gallon no matter how much you use, would lead to much higher rates for all of our customers. This is because the District would be forced to spread the high cost of pumping excess water during peak hours to every customer, rather than focusing these additional costs on customers who are using more water. A flat rate also does not encourage conservation, where the Water-Budget-Based Rate Structure provides each customer with a personalized

water budget to help them better understand what an efficient level of water use is given their specific situation.

### **What has MNWD done in recent years to reduce costs?**

Due to MNWD's conservative fiscal policy, our water and sewer rates are among the lowest in South Orange County. The District has largely contained rising costs for several years, and we are committed to keeping our rates as low as possible moving forward. Over the past two decades the population we serve has grown 40 percent, but our staff has remained the same size and we have one of the lowest staff-to-customer ratios in California. We also have invested wisely in improved technologies that provide greater efficiency, and we benefit from property tax revenue that we have fought to keep local, despite the state's periodic efforts to take it.

## **Calculating Water Budgets**

### **Do I receive the same water budget as my neighbors?**

No. Every residential customer receives a customized water budget based upon their home type, lot size and other factors. Every commercial customer has a unique water budget as well, based on a three-year rolling average of their water use.

### **How is my indoor water budget determined?**

Your customized indoor water budget is calculated based on the average amount of water a person uses each day (65 gallons), the number of people in your household and the number of days in the billing cycle. For example a home with four residents in a 30-day billing cycle will have a water budget of:  
 $65 \text{ gallons per person} \times 4 \text{ people} \times 30 \text{ days} = 7,800 \text{ gallons} = 10.4 \text{ billing units}$  (1 billing unit = 748 gallons)

### **How did you arrive at an indoor water budget of 65 gallons per person?**

A recent study by the American Water Works Association showed that, on average, a typical person uses about 60 gallons of water each day indoors. This number includes all indoor water use, such as showers and washing clothes, and is based on the use of common water-efficient devices, including low-flow toilets and showerheads. Based on this data and a review of our customers' historic water use, MNWD utilizes a budget of 65 gallons per person per day. For comparison, other water agencies in Orange County, who are also using a budget based system have budgeted 55 to 60 gallons per day for each customer's indoor use.

### **How is my outside water budget determined?**

Your customized outdoor water budget is based on the amount of your home's landscaped area and localized weather data. Your landscaped area is determined using satellite images and County parcel data. It is impossible for us to monitor the types of plants in your yard, so your budget assumes your entire landscaped area is water-thirsty grass, which means you automatically benefit if you have planted flowers, shrubs and trees. You benefit even more if you planted drought-tolerant, California-Friendly plants. The monthly water budget also adjusts with the weather, based on weather stations that can measure precise

data in 110 distinct microclimate zones throughout our service area. This ensures your outside water budget provides enough water to efficiently meet your needs as they change throughout the year.

### **How can I be certain the factors MNWD used to calculate my water budget are accurate?**

MNWD has taken many steps to make sure your water budget is accurate, but we need your help to make sure we got it right. Please [click here](#) to see if the data we are using for your property is correct, and please let us know if we need to adjust your budget for factors such as the number of people in your home. We are committed to making sure everyone has a customized water budget that provides them the water necessary to meet their actual needs.

### **How do swimming pools fit into the water budgets?**

Pools lose about as much water to evaporation as a lawn of the same size uses, so pools are accounted for in customers' water budgets. Refilling a pool, however, may push your use above your water budget and result in higher charges. Customers can call (949) 831-2500 to request a variance to fill their pools once every three years.

### **How is ET determined when calculating my water budget?**

Evapotranspiration (ET) is the amount of water lost each day as water evaporates from the plants in your yard, and it varies each day due to factors such as wind, humidity and temperature. The ET rate is measured every day in inches, and there is a higher ET rate in the summer when the weather is warmer, than in the winter. For your water budget, the ET for each day in the billing cycle will be added up, using ET measurements from weather stations that can calculate precise data for 110 distinct microclimate zones within our service area. Many smart sprinkler timers can access daily ET readings sent directly from the manufacturer, and will automatically adjust your irrigation patterns. You can also always follow the time-tested approach of only watering your grass if it doesn't bounce back when stepped upon, and shutting off your sprinklers for several days after it rains (or even if it is just cloudy and cool), which should be enough to keep you within your water budget.

### **If I use less than my water budget allows one month, can I roll that water over to the next month?**

Unfortunately, rolling over water use from one month's budget to the next does not work for commodity-based utilities such as water. That's because MNWD incurs greater power and chemical costs during peak times of the year, such as the summer, and rolling over water budget credits would make it very difficult for the District to generate the necessary revenue at the time our power and chemical costs are due.

## **How Water Budgets Work For Customers**

### **Will I exceed my water budget if I have out-of-town visitors?**

It is highly unlikely short-term guests will cause you to go over your budget because our indoor water budgets of 65 gallons per person per day is more than a typical individual needs. If guests do cause you to exceed your water budget, please call us at (949) 831-2500 and we can discuss a variance.

**Can I adjust my water budget if I have more people in my home than what my water budget anticipates?**

Absolutely. We want to make sure every customer has a water budget that provides enough water to meet their actual needs, based on 65 gallons per resident per day. If the number of people in your home changes, please call us at (949) 831-2500 and we will adjust your water budget accordingly.

**How does the variance process work?**

The variance process to temporarily or permanently adjust your water budget is very simple. All you have to do is call the District at (949) 831-2500 to provide some basic information, and we will do the rest.

**How does the Water-Budget-Based Rate Structure affect customers with large lots?**

Customers with large lots typically pay more per gallon of water under the current rate structure than most other customers. That is because, even though many are efficient users, they simply need more water due to the size of their yard, and their use regularly falls into the higher, more expensive tiers. Under the Water-Budget-Based Rate Structure, every customer will receive a customized water budget to meet their specific needs beginning July 1, 2011, which means that no matter the size of your family or yard, you should be able to remain within your water budget (tiers 1 and 2) with routine conservation measures, and receive the water you need at the lowest available price. *Only customers who waste water will be charged the higher rates.*

**Does the rate structure benefit customers with large lots at the expense of customers with small lots?**

No. The Water-Budget-Based Rate Structure benefits customers of all lot sizes because it will provide each with a customized water budget to meet their specific needs. Beginning July 1, 2011 no matter the size of your family or yard, you should be able to remain within your water budget (tiers 1 and 2) with routine conservation measures, and receive the water you need at the lowest possible price. *Only customers who waste water will be charged the higher rates.*

**I'm uncomfortable with the amount of control MNWD has over my water use under the Water-Budget-Based Rate Structure.**

The Water-Budget-Based Rate Structure actually provides customers greater freedom and means the end to restrictions that say how many days a week – and what days of the week – you can water your lawn. Customers now have the freedom to use their water budgets as they see fit. If you would rather water your lawn more and use less water elsewhere that's fine, as long as your overall use remains within your customized budget. We no longer have to patrol and penalize our customers for inefficient water use.

**What if I have pets?**

Our variance policy accounts for livestock that are 100 pounds and larger (typically horses) by providing 15 gallons per animal per day, which is based on veterinary studies. Large dogs typically do not consume enough water to necessitate an increased water budget, as studies have found the daily water needs of

dogs of all sizes and activity levels are typically less than one gallon per day. We are confident the indoor water budgets of 65 gallons per person per day are sufficient to meet the water needs of your pets.

**Am I penalized with a smaller water budget due to my past efficient use?**

No. Water budgets are based on an efficient level of water use given your specific situation (amount of landscaping, weather, etc.), and do not take into consideration your prior use. We are not asking customers to further cut their water use, just to continue with their current conservation practices.

**How will my bill be affected if I get a leak?**

If the leak takes your use above your water budget, there will be higher charges for the water used in excess of your water budget. But if the leak is fixed before the next bill, you will be able to request a credit by contacting the District at (949) 831-2500.

**How can I set my sprinkler controller so I stay within my outdoor budget?**

If you have a smart sprinkler controller that can access daily ET (evapotranspiration) readings sent from the manufacturer, it will automatically adjust your irrigation patterns so you stay within your outdoor water budget. You can also follow the time-tested approach of only watering your grass if it doesn't bounce back when stepped upon, and shutting off your sprinklers for several days after it rains (or even if it is just cloudy and cool), which should be enough to keep you within your water budget.

**We're Here to Help**

MNWD remains committed to keeping your rates as low as possible while providing the reliable water and sewer service you've come to expect. We are dedicated to making sure everyone has a customized water budget that provides the water necessary to meet each customer's individual needs. Please enter your account number to view the [Water-Use Calculator](#) for your property.

If the household size or landscaped irrigated area for your home differs from our records, please download a Variance Form and return the completed form either by mail or in person at the District's main office located at: 27500 La Paz Road, Laguna Niguel, CA. 92677. A Customer Service Representative will notify you once your request has been approved.

Customer input is key to a successful Water-Budget-Based Rate Structure.

## Water Budget Summary for Acct. Number

The Water-Budget-Based Rate Structure is designed to provide customers with a personalized water budget to help them better understand what an efficient level of water use is given their specific situations. If your water bill is projected to significantly increase, please call (949) 831-2500 to speak with a customer service representative.

The information below is intended to give customers an idea of how their current water use would be billed under the new rate structure.

### Your Residential Water Budget

Conservation Tier (Indoor Allocation): 12 EU Household Size: 4 people  
 Efficient Tier (Outdoor Allocation): 40 EU Landscape Irrigation Area: 2825 sq ft

Your Total Water Budget = 22 Units

Your actual water usage for June 2011

Here is how your bill is calculated

(effective July 1, 2011)

**34 UNITS**  
1 Billing Unit (B.U.) = 78 Gallons

**You Exceeded Your Water Budget**  
 Since you exceeded your water budget by 12 units, you used 8978 extra gallons of water.

|                                      | Units | x             | per Unit | = | Cost            |
|--------------------------------------|-------|---------------|----------|---|-----------------|
| USAGE - CONSERVATION                 | 12    |               | 1.38     |   | \$16.56         |
| USAGE - EFFICIENT                    | 10    |               | 1.54     |   | \$15.40         |
| USAGE - INEFFICIENT                  | 6     |               | 2.75     |   | \$16.50         |
| USAGE - EXCESSIVE                    | 5     |               | 5.51     |   | \$27.55         |
| USAGE - WASTEFUL                     | 1     |               | 11.02    |   | \$11.02         |
| TOTAL COMMODITY COSTS                |       |               |          |   | \$87.03         |
| BASE WATER SERVICE CHARGE            |       |               |          |   | \$10.36         |
| TOTAL SEWER CHARGES                  |       |               |          |   | \$33.14         |
| <b>TOTAL WATER BILL</b>              |       |               |          |   | <b>\$130.53</b> |
| YOUR ALLOCATION FOR THIS BILL        | 22    | Billing Units |          |   |                 |
| 1 Billing Unit (B.U.) = 78 gallons > |       |               |          |   |                 |

If the household size or landscape irrigation area for your home differs from our records above, please call us at (949) 831-2500 to request an adjustment. [Residential Variance Form](#) | [Commercial Variance Form](#)

## Water Budget Summary for Acct. Number

The Water Budget Based Rate Structure is designed to provide customers with a personalized water budget to help them better understand what an efficient level of water use is given their specific situations. If your water bill is projected to significantly increase, please call (949) 831-2500 to speak with a customer service representative.

The information below is intended to give customers an idea of how their current water use would be billed under the new rate structure.

### Your Residential Water Budget

Conservation Tier (Indoor Allocation): 10 EU Household Size: 4 people  
 Efficient Tier (Outdoor Allocation): 16 EU Landscape Irrigation Area: 4577 sq ft

Your Total Water Budget = 26 Units

## Your actual water usage for May 2011

## Here is how your bill is calculated

(Effective July 1, 2010)

**23 UNITS**  
1 Billing Unit (B.U.) = 748 Gallons

**Congratulations!**  
 Since your water budget was 26 Units, you conserved  
 2244 gallons of water.

|                           | Units | x | Per Unit | = | Cost           |
|---------------------------|-------|---|----------|---|----------------|
| USAGE - CONSERVATION      | 10    |   | 1.38     |   | \$13.80        |
| USAGE - EFFICIENT         | 13    |   | 1.54     |   | \$20.02        |
| USAGE - INEFFICIENT       | 0     |   | 2.75     |   | \$0.00         |
| USAGE - EXCESSIVE         | 0     |   | 5.51     |   | \$0.00         |
| USAGE - WASTEFUL          | 0     |   | 11.02    |   | \$0.00         |
| TOTAL COMMODITY COSTS     |       |   |          |   | \$33.82        |
| BASE WATER SERVICE CHARGE |       |   |          |   | \$10.36        |
| TOTAL SEWER CHARGES       |       |   |          |   | \$31.38        |
| <b>TOTAL WATER BILL</b>   |       |   |          |   | <b>\$75.56</b> |

YOUR ALLOCATION FOR THIS BILL: 26 Billing Units  
1 Billing Unit (B.U.) = 748 gallons >

If the household size or landscape irrigation area for your home differs from our records above, please call us at (949) 831-2500 to request an adjustment. [Residential Variance Form](#) | [Commercial Variance Form](#)