



moulton niguel water district

2017 Cost of Service Study Workshop

September 6, 2017

Success to Date

- Strong Financial Position
 - ‘AA+’ credit rating from S&P
 - Reaffirmed ‘AAA’ credit rating from Fitch
- Drought Resiliency
 - Rate structure mitigates financial risk while encouraging conservation
- Maximized Investment Earnings
 - Portfolio structured to meet forecasted cashflow needs
- State Recognition for Best Practices
 - WBBRS considered “superior” to use restrictions



Rate Study Timeline

Dec 2016

- Initial Rate & LRFPS Study Presentation

Jan-Mar 2017

- Final scheduled rate adjustment effective
- Award COS Peer Review
- MOU LRFPS Update

Apr-May 2017

- Budget Discussions
 - COS Revenue Requirements
 - FY 2017-18 Budget Workshop

Jun-Jul 2017

- Adopt FY 2017-18 Budget
- Revenue Plan
- Policy Discussion

6th 2017 LRFPS & Rate Study Discussion

Sept 2017

- Rate Workshop

Sept-Nov 2017

- Ongoing stakeholder and community outreach
- Issue Prop. 218 Notice (late Oct)

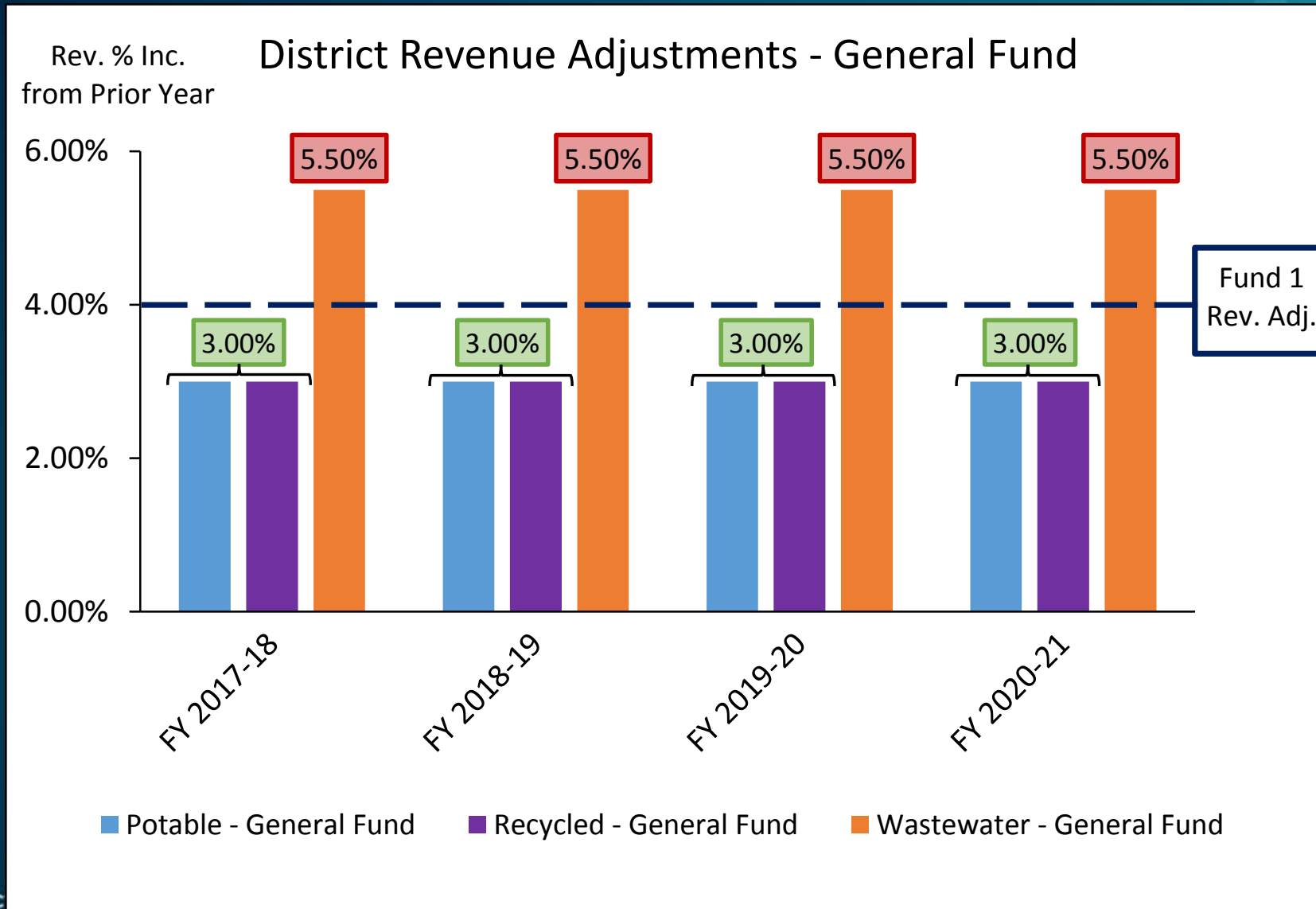
Dec 2017

- Public Hearing
- Rate Adoption

Jan 2018

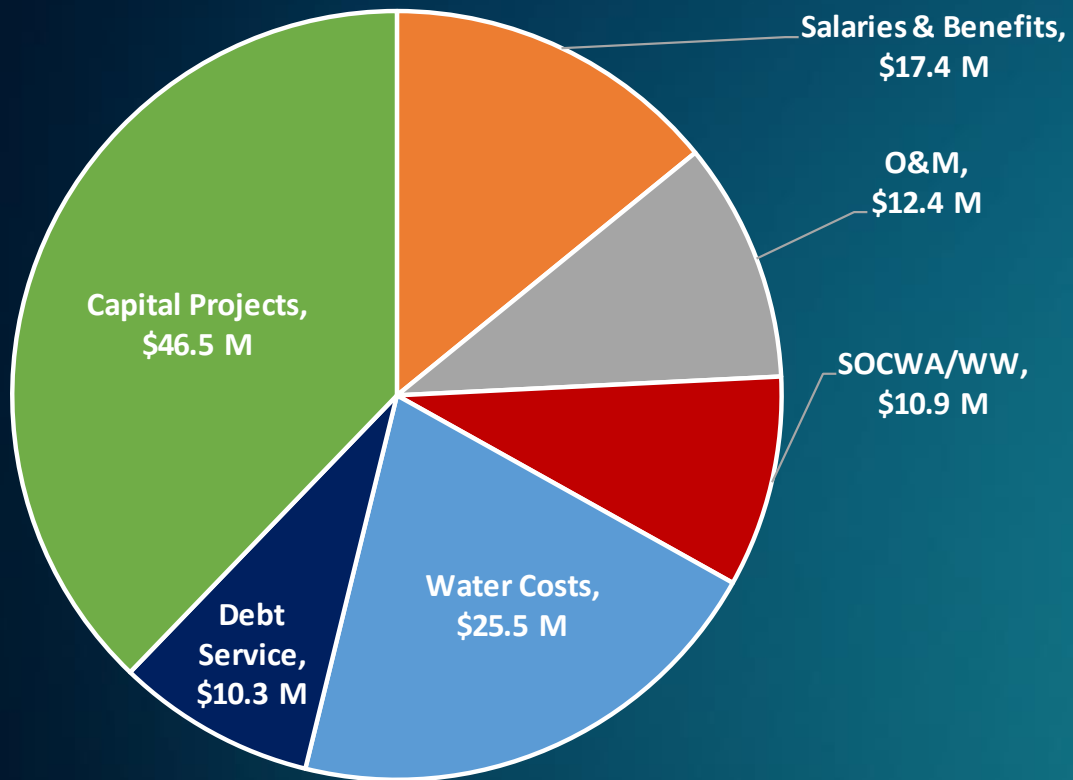
- Rates Effective Jan 1, 2018

General Fund Revenue Adjustments

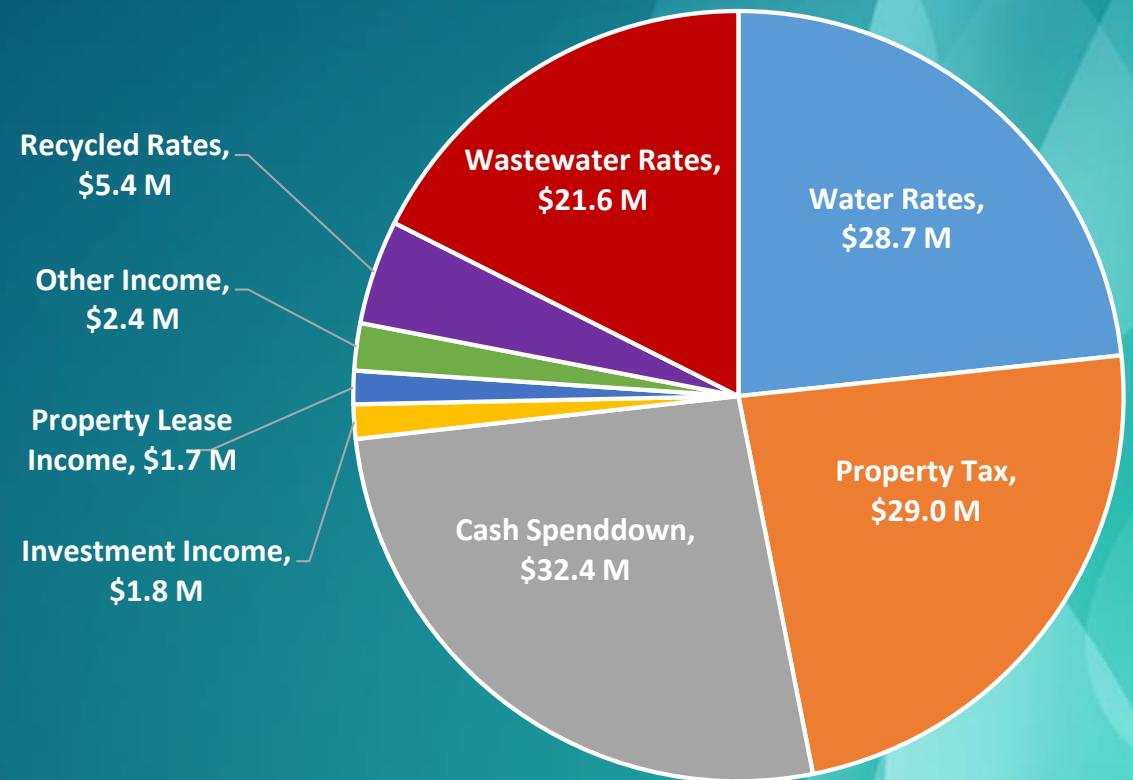


General Fund Revenue Requirements

General Fund Revenue Requirement = \$122.96 M

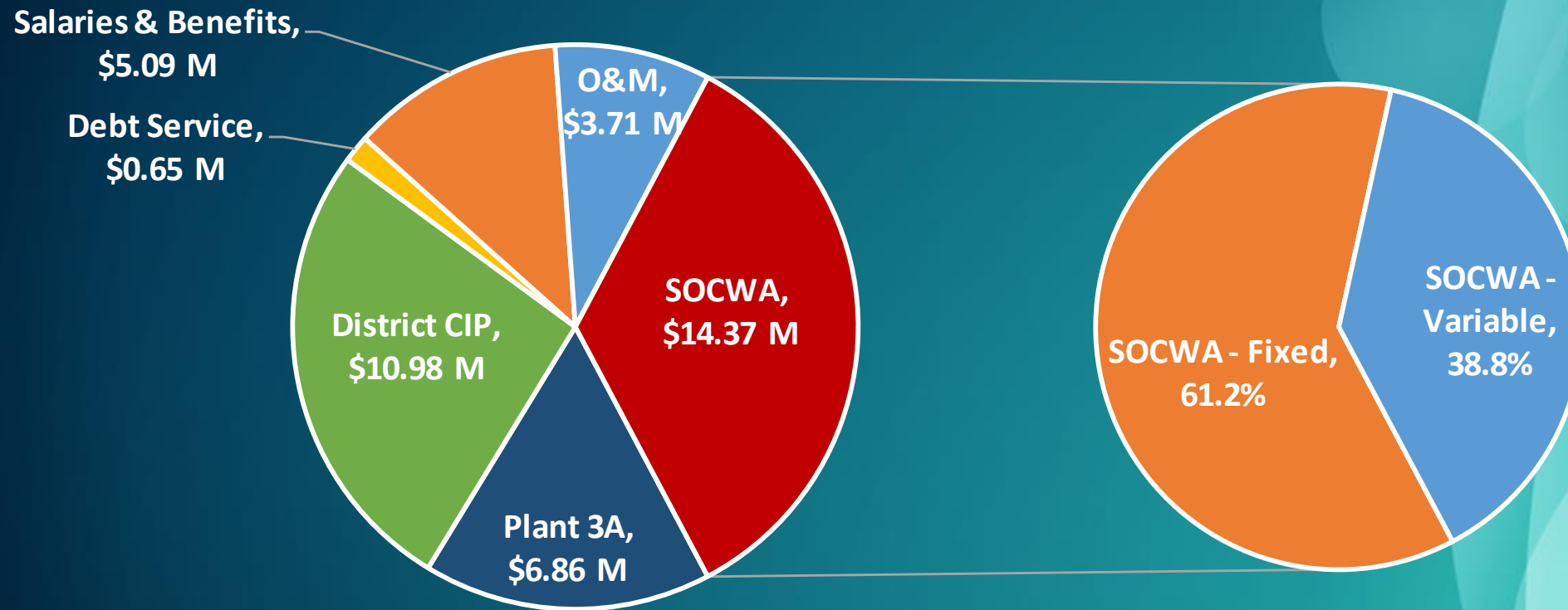


General Fund Revenue Sources = \$122.96 M



Wastewater Cost Breakdown

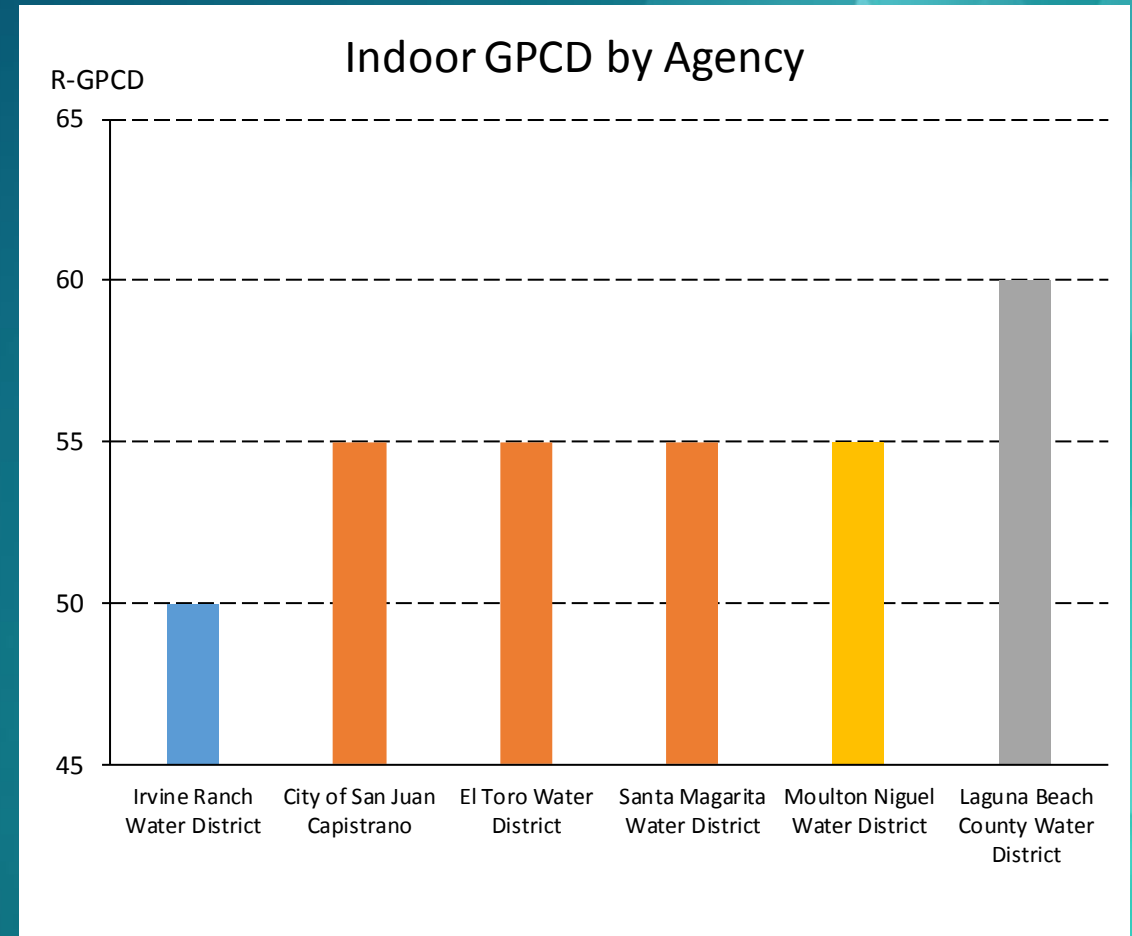
Total WW Cost FY 2017-18 = \$41.65 M



➤ Need to accurately capture wastewater cost escalation from SOCWA

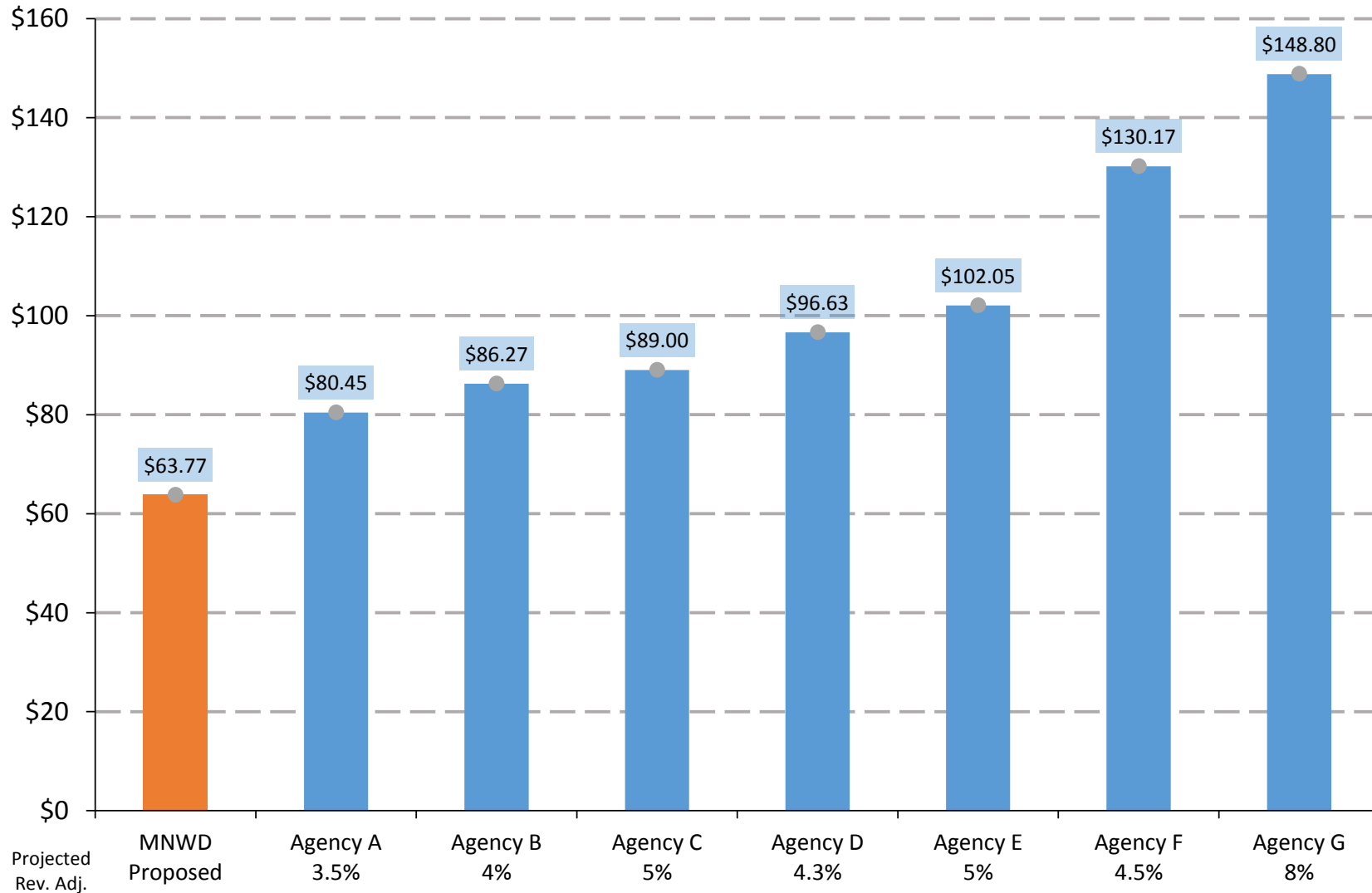
Proposed Rate Structure Updates

- Per-Person Wastewater Charge
 - Need to accurately capture SOCWA cost escalation
- Align fixed and variable costs with revenues
 - Phase in over 4-year rate plan
- 55 GPCD
 - Consistent with Increasing Indoor Use Efficiency

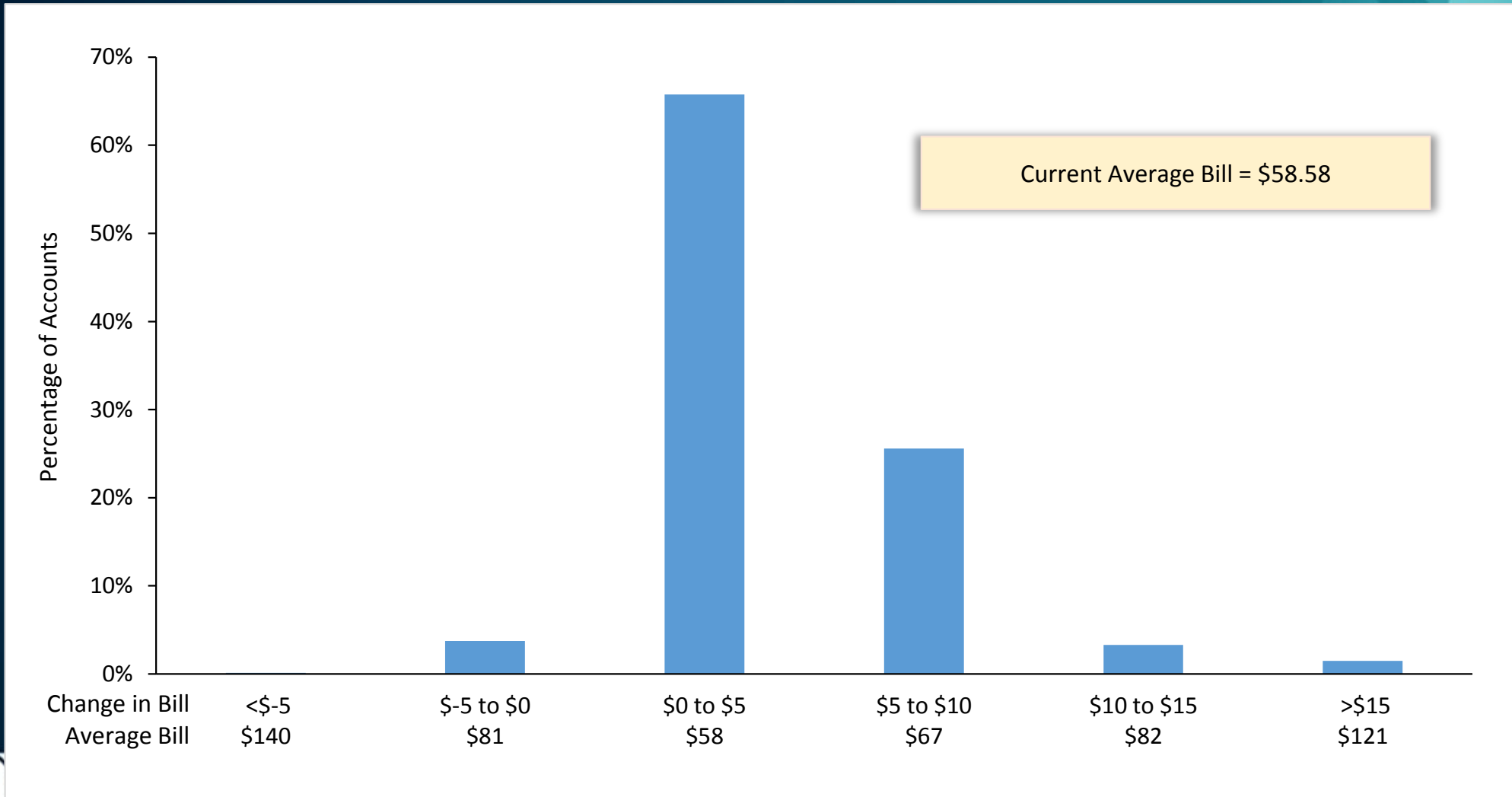


South County Single Family Survey

Monthly Bill Comparison (12 ccf)

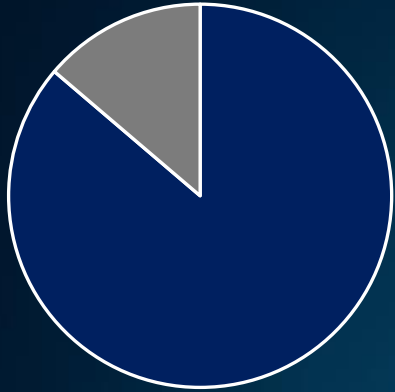


Single Family Residential Potential Bill Changes



Single Family Residential Water & Wastewater Rates

86.2% of All Accounts



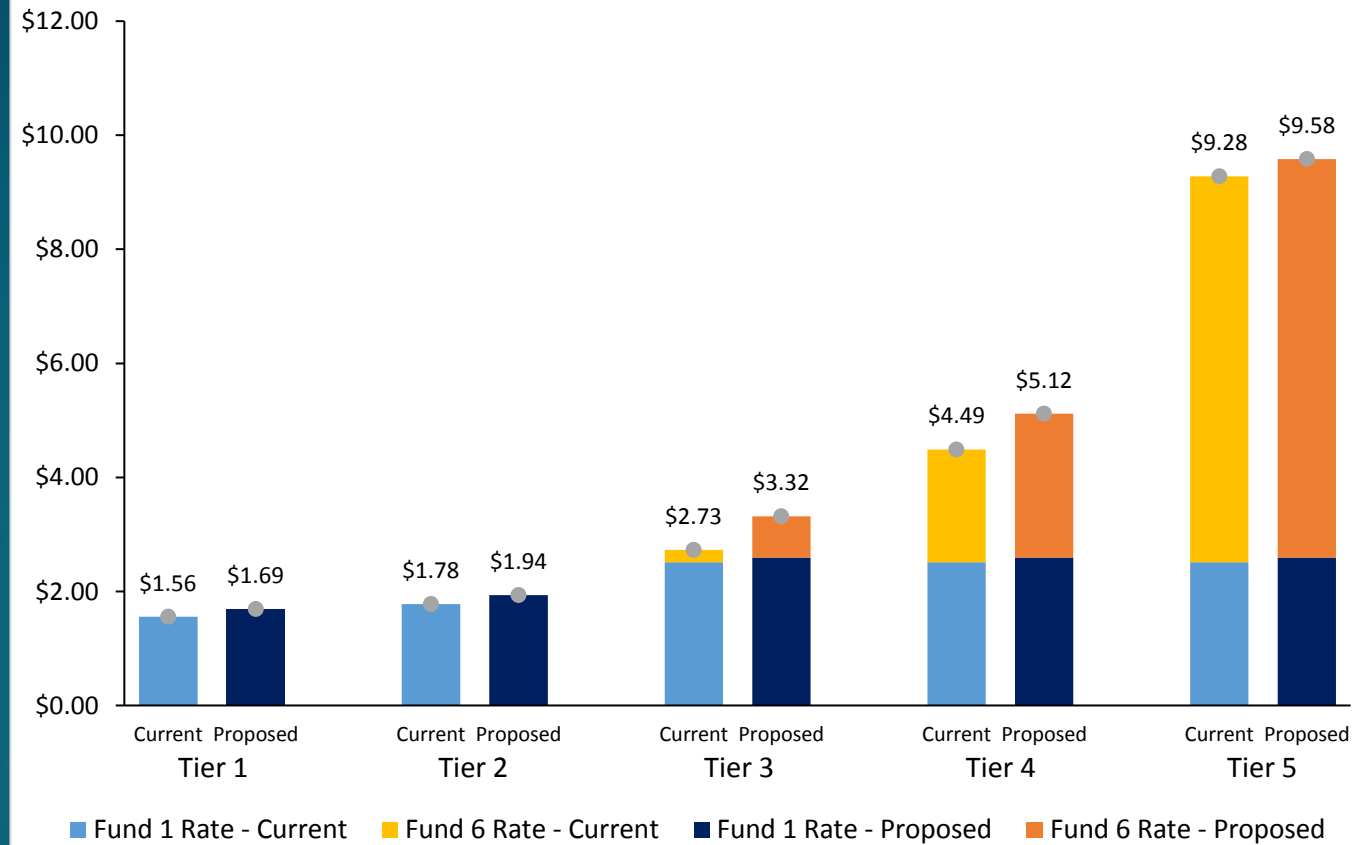
Monthly Water Service Charges

Meter Size	Current	Proposed
5/8", 3/4", 1"	\$11.91	\$11.22
1.5"	\$39.73	\$37.41
2"	\$63.57	\$59.85

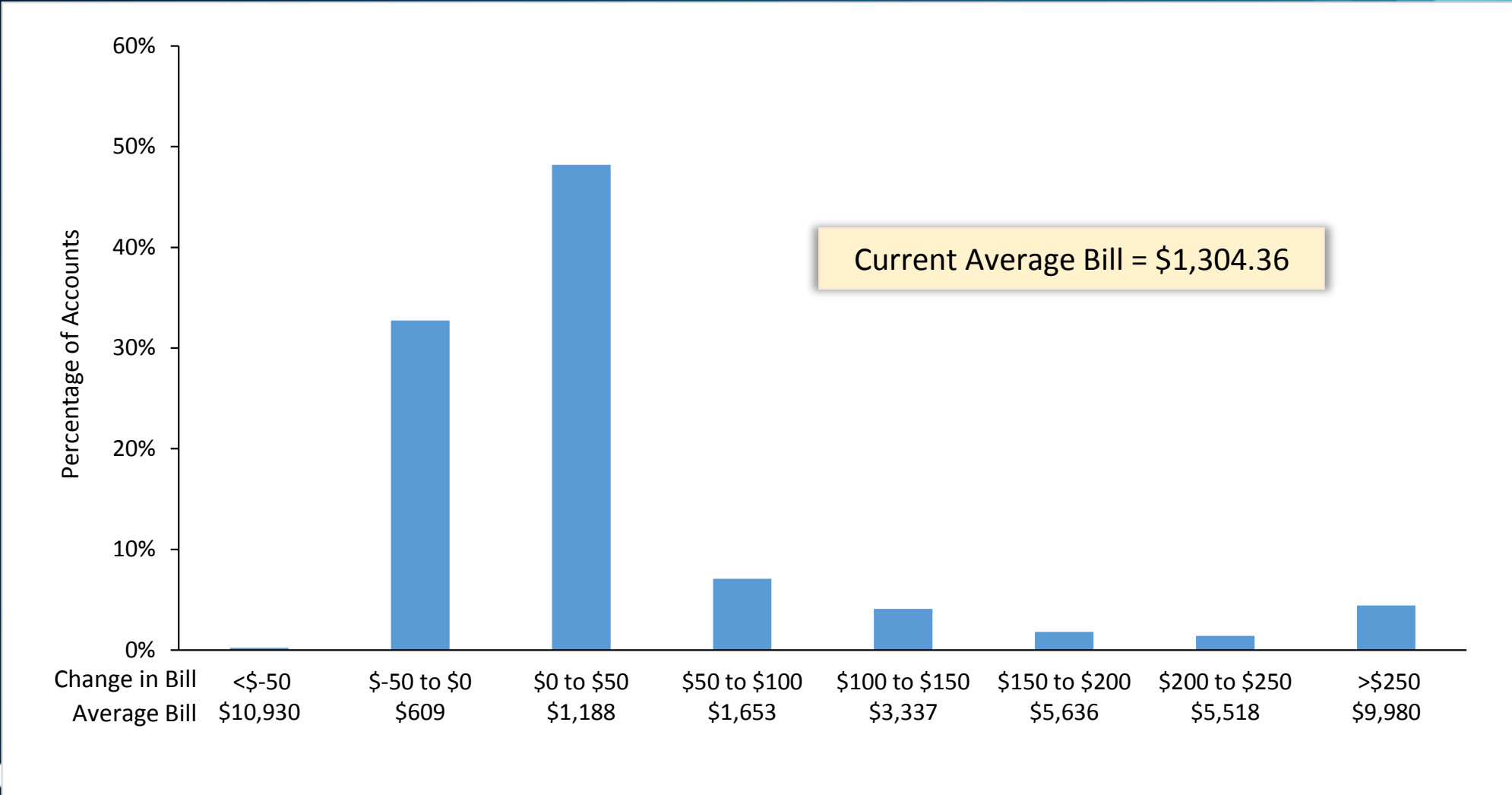
Wastewater Monthly Charge

Household	Current	Proposed
2	\$26.22	\$22.98
3	\$26.22	\$27.30
4	\$26.22	\$31.61
5	\$26.22	\$35.92

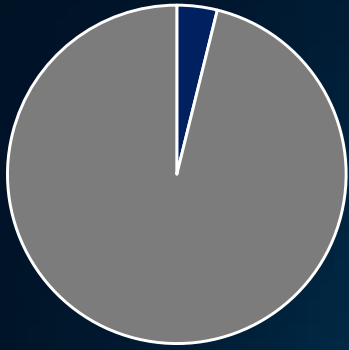
Potable Variable Rate



Local Business Potential Bill Changes



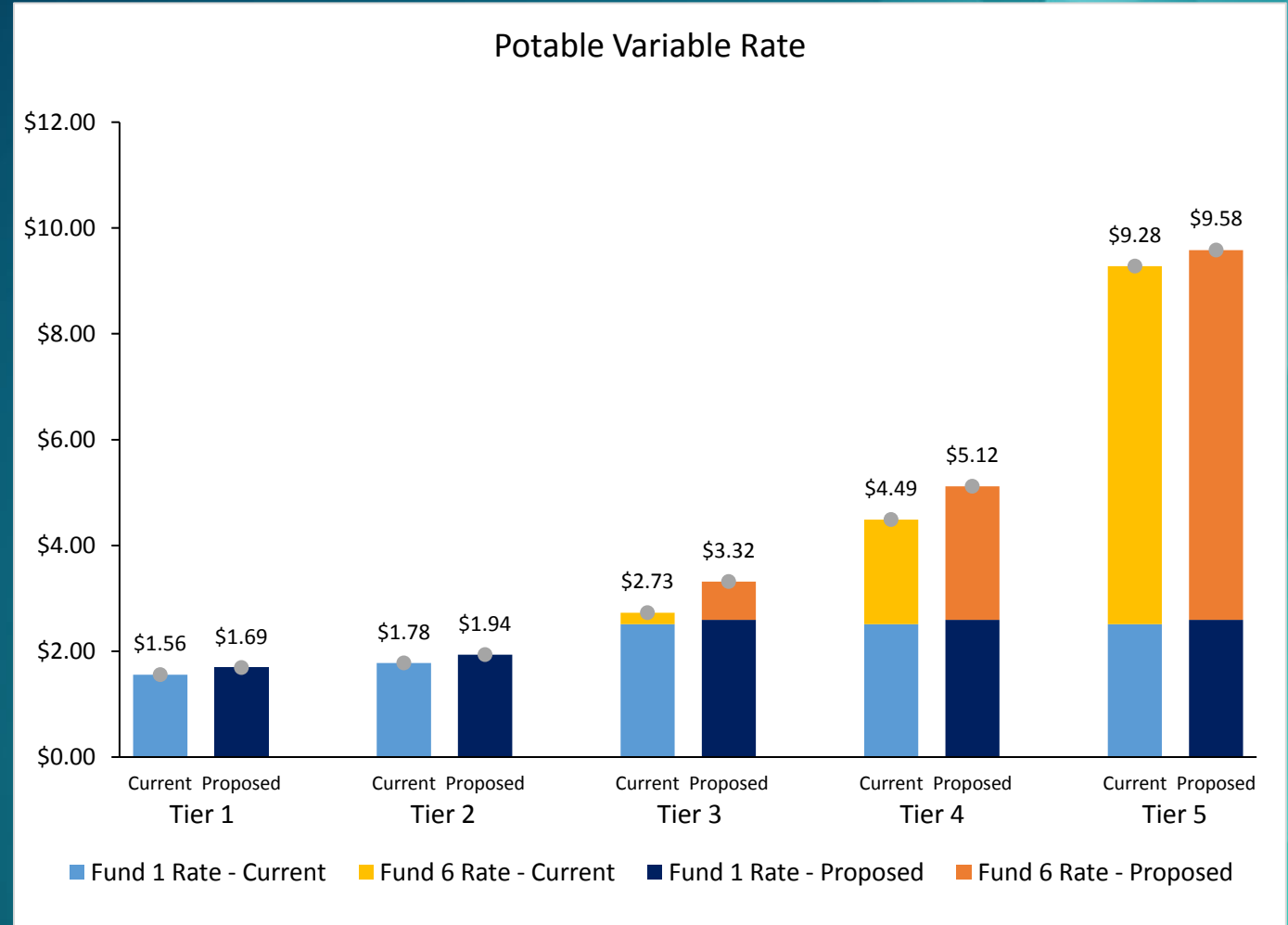
3.8% of All Accounts



Master Metered Residential Water & Wastewater Rates

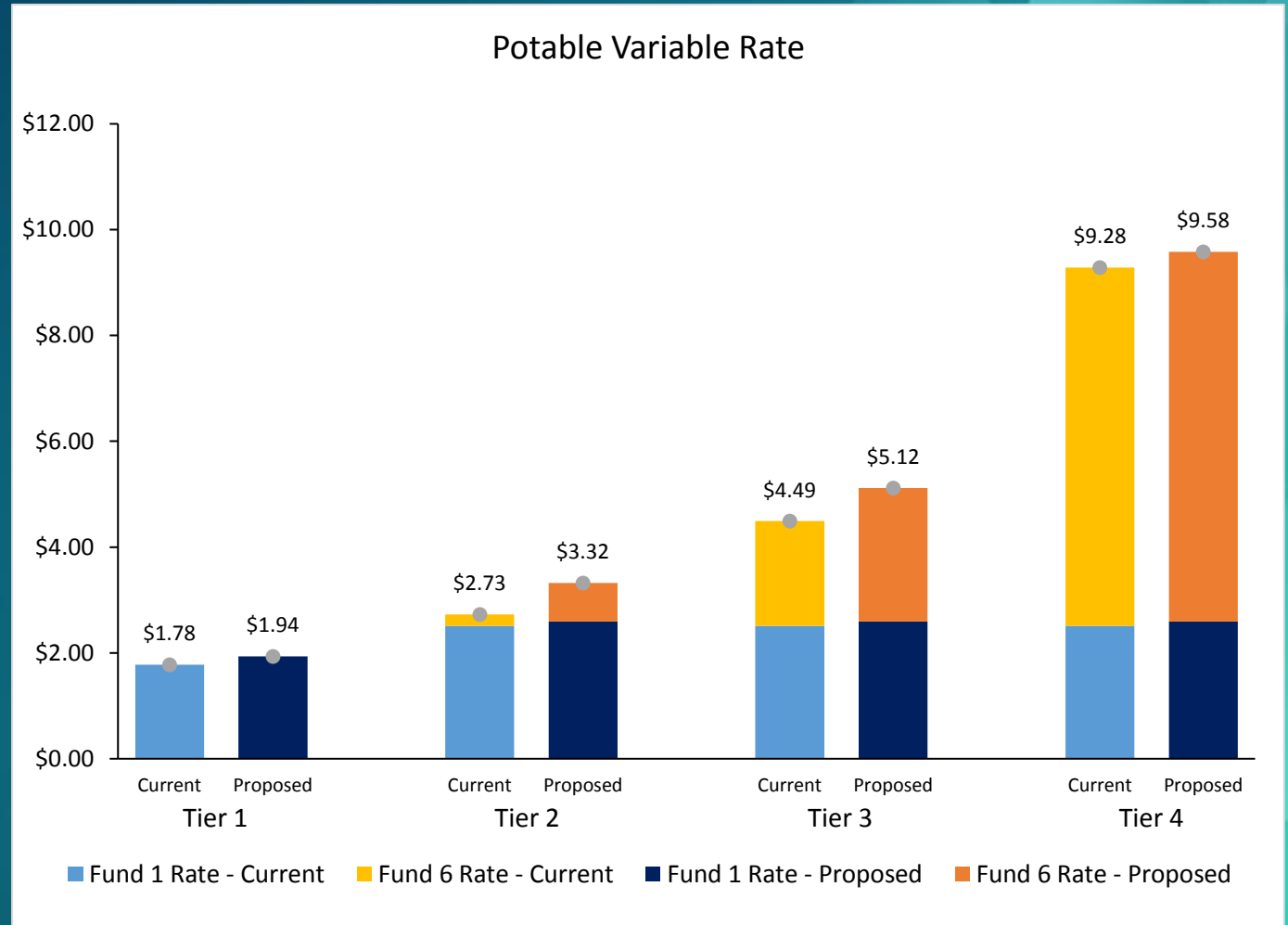
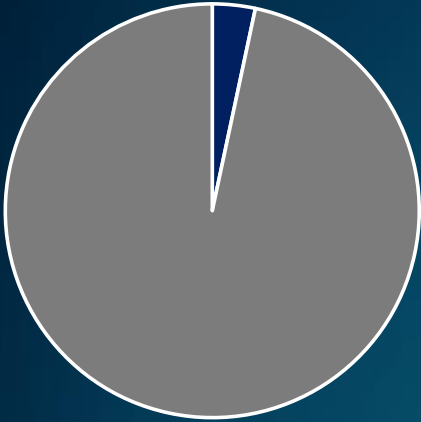
Monthly Water Service Charges (\$/Meter)			
Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	116	\$7.33	\$10.78
1.5"	232	\$24.45	\$25.20
2"	1,724	\$39.11	\$37.56
3"	27	\$85.57	\$76.70
4"	23	\$146.69	\$128.19
6"	6	\$305.85	\$262.09
8"	4	\$440.06	\$375.38

Wastewater Service Charges			
<i>Per Person Charge (\$/Person/Mo.)</i>			
Default Size		Current	Proposed
2		-	\$4.31
<i>Meter Service Charge (\$/Meter/Mo.)</i>			
Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	116	\$28.58	\$16.93
1.5"	232	\$87.76	\$51.38
2"	1,717	\$138.50	\$80.90
3"	19	\$299.17	\$174.41
4"	13	\$510.54	\$297.43
6"	3	\$1,060.15	\$617.30
8"	2	\$1,525.19	\$887.95



Commercial Water Rates

3.3% of All Accounts



Monthly Water Service Charges (\$/Meter)

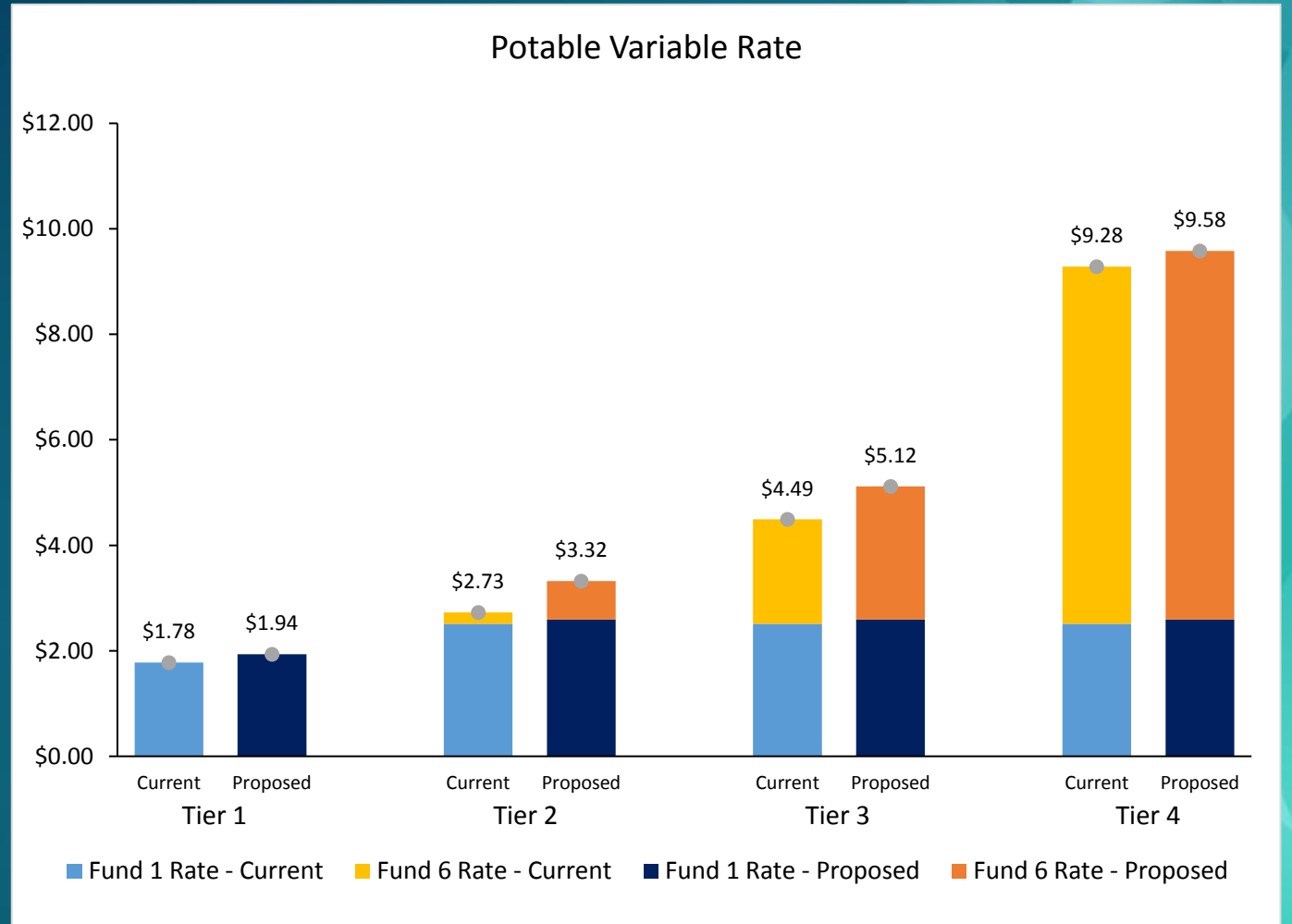
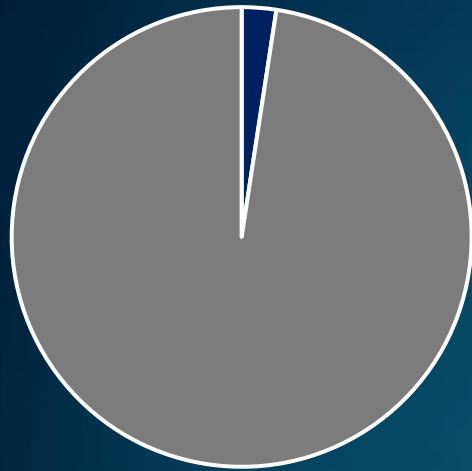
Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	625	\$6.55	\$5.54
1.5"	297	\$21.84	\$18.46
2"	803	\$34.94	\$29.54
3"	41	\$76.42	\$64.61
4"	71	\$131.00	\$110.76
6"	4	\$273.14	\$230.76
8"	10	\$393.00	\$332.29
10"	2	\$633.39	\$535.36

Commercial Wastewater Rates

Wastewater Service Charges							
Commercial 1 (\$/Meter/Mo.)				Commercial 2 (\$/Meter/Mo.)			
Meter Size	Accounts	Current	Proposed	Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	418	\$20.66	\$20.84	5/8", 3/4", 1"	96	\$44.02	\$49.91
1.5"	150	\$61.35	\$64.39	1.5"	82	\$139.21	\$161.30
2"	525	\$96.23	\$101.73	2"	151	\$220.81	\$256.78
3"	21	\$206.69	\$219.97	3"	5	\$479.25	\$559.18
4"	27	\$352.02	\$375.54	4"	10	\$819.25	\$957.02
6"	2	\$729.89	\$780.02	6"	1	\$1,703.30	\$1,991.46
8"	1	\$1,049.61	\$1,122.27	8"	3	\$2,451.32	\$2,866.73
10"	1	\$1,689.08	\$1,806.78	10"	-	-	-
Commercial 3 (\$/Meter/Mo.)				Commercial 4 (\$/Meter/Mo.)			
Meter Size	Accounts	Current	Proposed	Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	47	\$90.56	\$107.85	5/8", 3/4", 1"	22	\$97.70	\$117.98
1.5"	46	\$294.33	\$354.40	1.5"	16	\$318.12	\$388.15
2"	71	\$469.01	\$565.76	2"	40	\$507.08	\$619.77
3"	1	\$1,022.23	\$1,235.12	3"	-	-	-
4"	2	\$1,750.04	\$2,115.74	4"	-	-	-

Potable Irrigation Rates

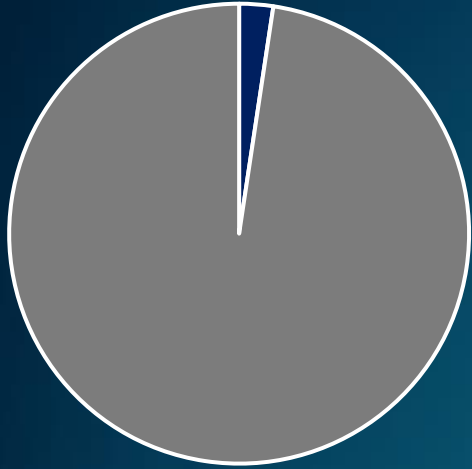
2.4% of All Accounts



Monthly Water Service Charges (\$/Meter)			
Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	125	\$18.65	\$18.06
1.5"	193	\$62.15	\$60.21
2"	1,011	\$99.44	\$96.34
3"	5	\$217.54	\$210.76
4"	6	\$372.91	\$361.29
6"	1	\$777.51	\$752.68

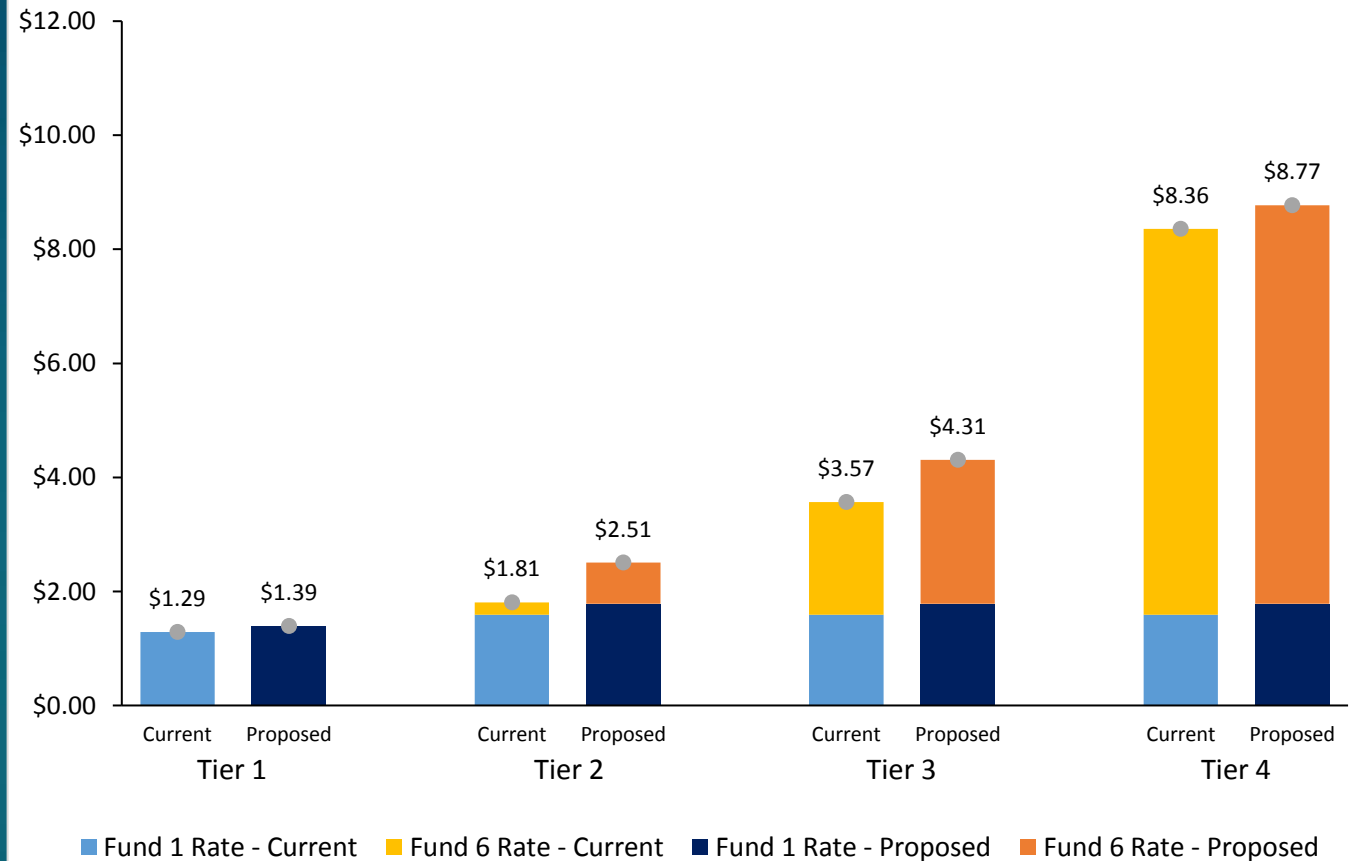
Recycled Irrigation Rates

2.4% of All Accounts



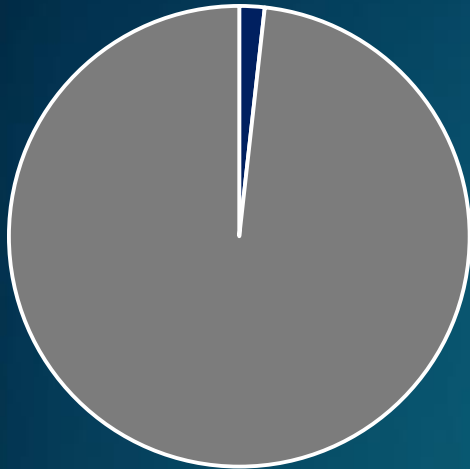
Monthly Water Service Charges (\$/Meter)			
Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	15	\$18.65	\$18.06
1.5"	77	\$62.15	\$60.21
2"	1,206	\$99.44	\$96.34
3"	4	\$217.54	\$210.76
4"	8	\$372.91	\$361.29
6"	8	\$777.51	\$752.68
8"	1	\$1,118.72	\$1,083.86
10"	2	\$1,803.00	\$1,746.22

Recycled Variable Rate



Fire Protection & Construction Bill Impacts

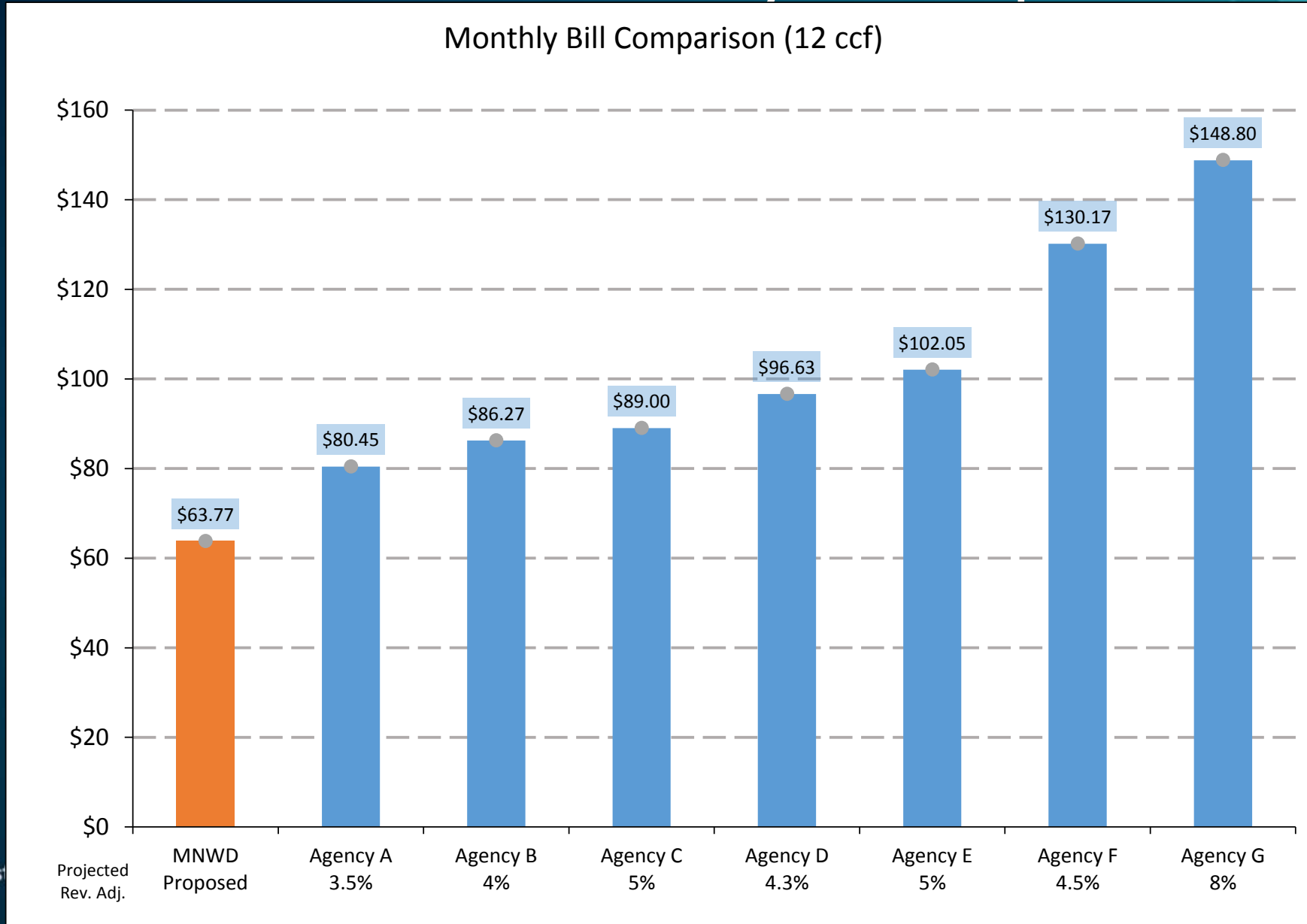
1.8% of All Accounts



Construction Fill Charges		
<i>Volumetric Rate (\$/HCF)</i>		
<i>Type</i>	<i>Current</i>	<i>Proposed</i>
Potable	\$2.71	\$2.61
Recycled	\$2.63	\$2.15
<i>Meter Service Charge (\$/Mo.)</i>		
<i>Type</i>	<i>Current</i>	<i>Proposed</i>
Potable	\$126.78	\$60.95
Recycled	\$126.78	\$60.95

Monthly Fire Protection Charges (\$/Connection)			
<i>Connection Size</i>	<i>Accounts</i>	<i>Current</i>	<i>Proposed</i>
5/8", 3/4", 1"	64	\$3.95	\$4.33
1.5"	57	\$13.19	\$14.44
2"	160	\$21.11	\$23.11
2.5"	29	\$33.64	\$36.84
3"	33	\$46.17	\$50.56
4"	100	\$79.14	\$86.68
6"	311	\$164.88	\$180.58
8"	183	\$237.43	\$260.03
10"	18	\$382.52	\$418.94

Residential Monthly Bill Impacts



Rate Study Next Steps

Sep 2017

- Finalize COS Report
- Outreach

Oct 2017

- Publish COS Report
- Issue Prop. 218 Notice
- Outreach

Nov 2017

- Continued outreach

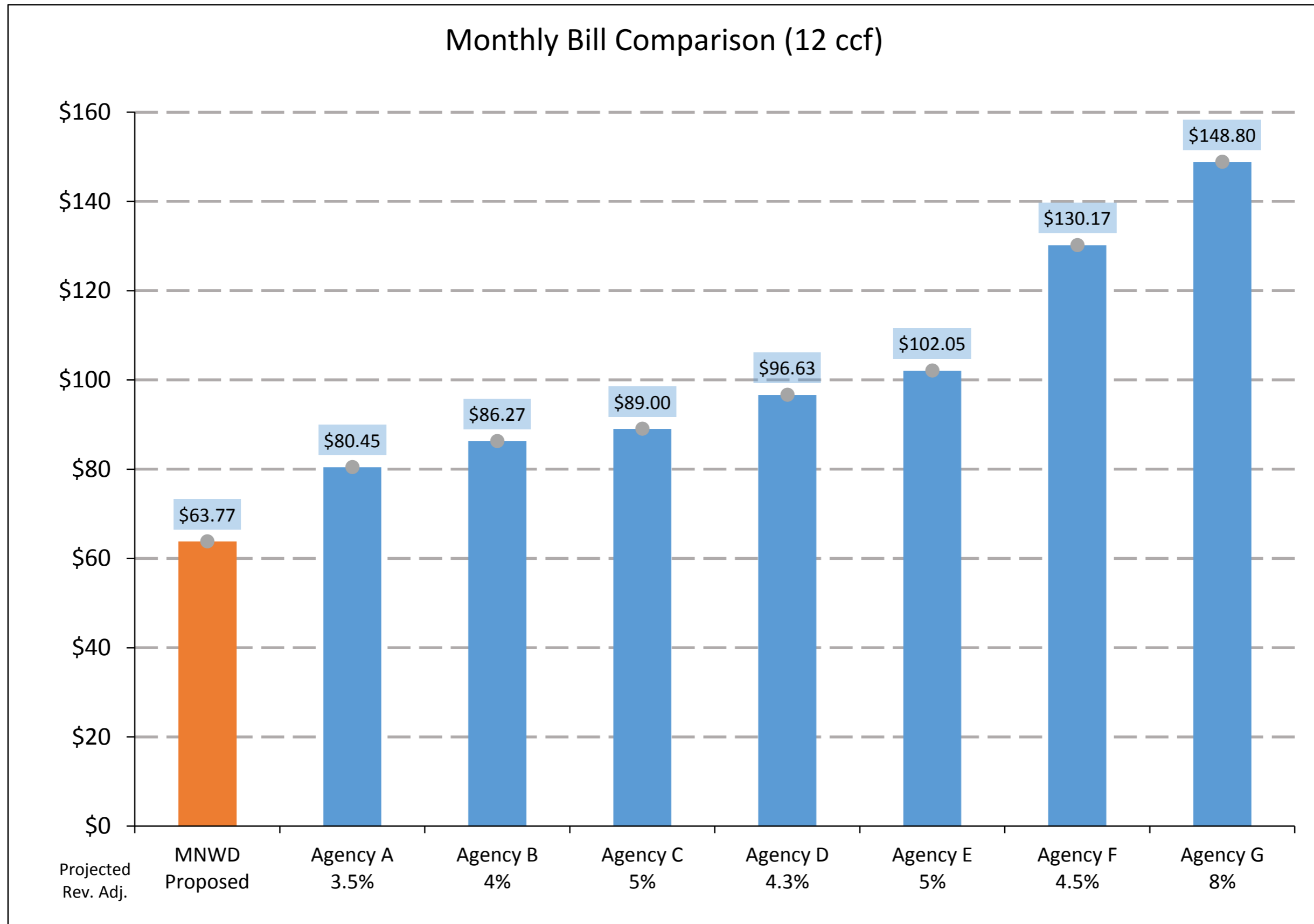
Dec 2017

- Public Hearing

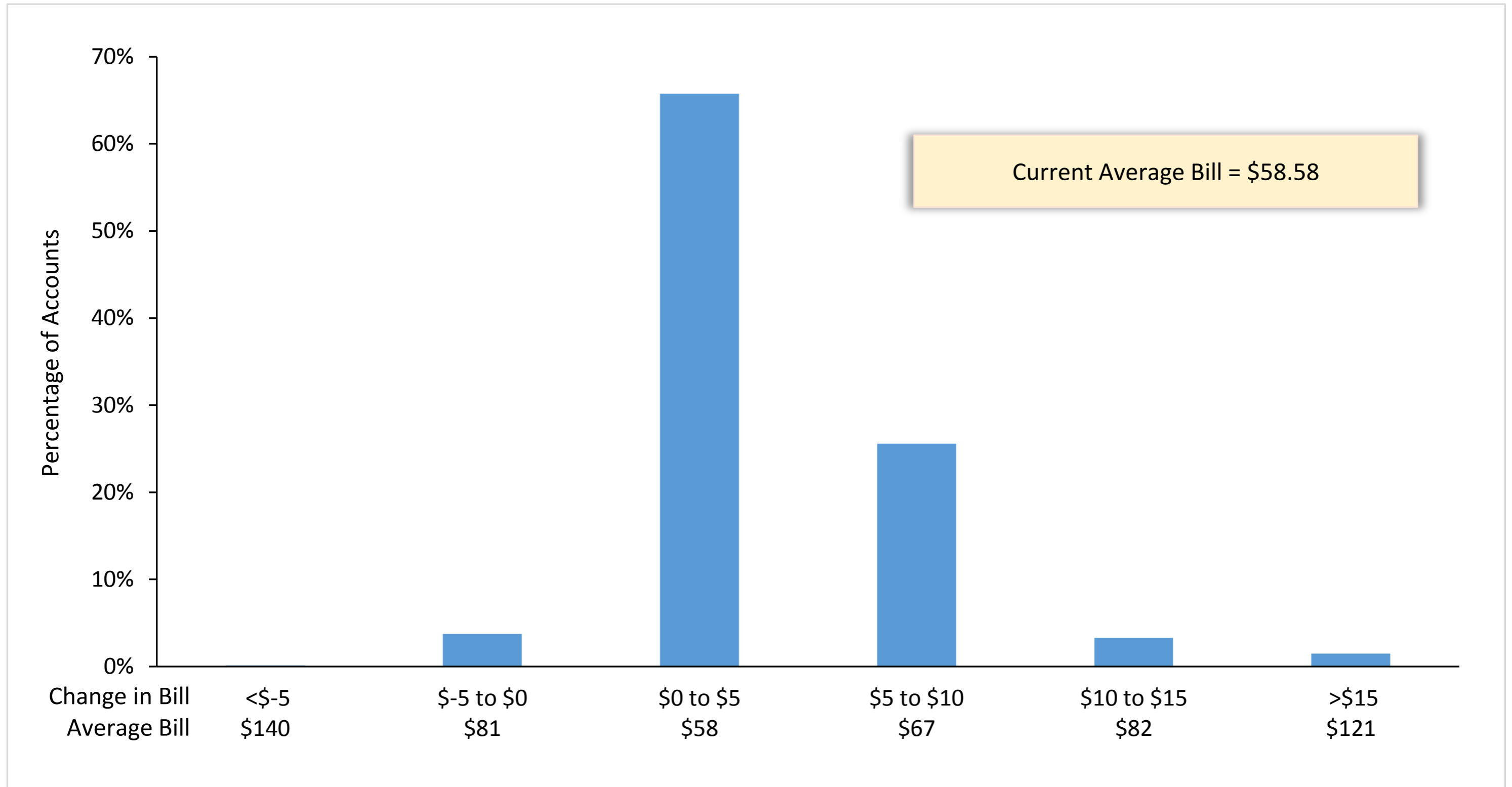
Jan 2018

- Rates Effective Jan 1, 2018

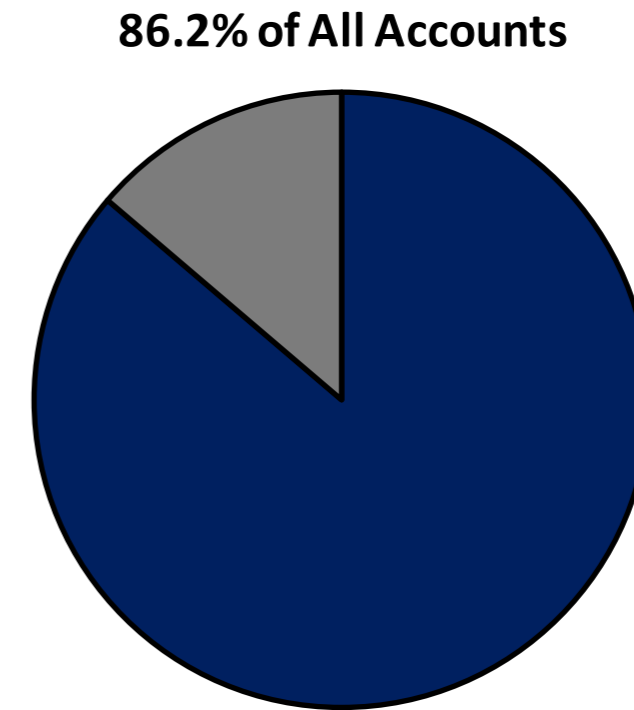
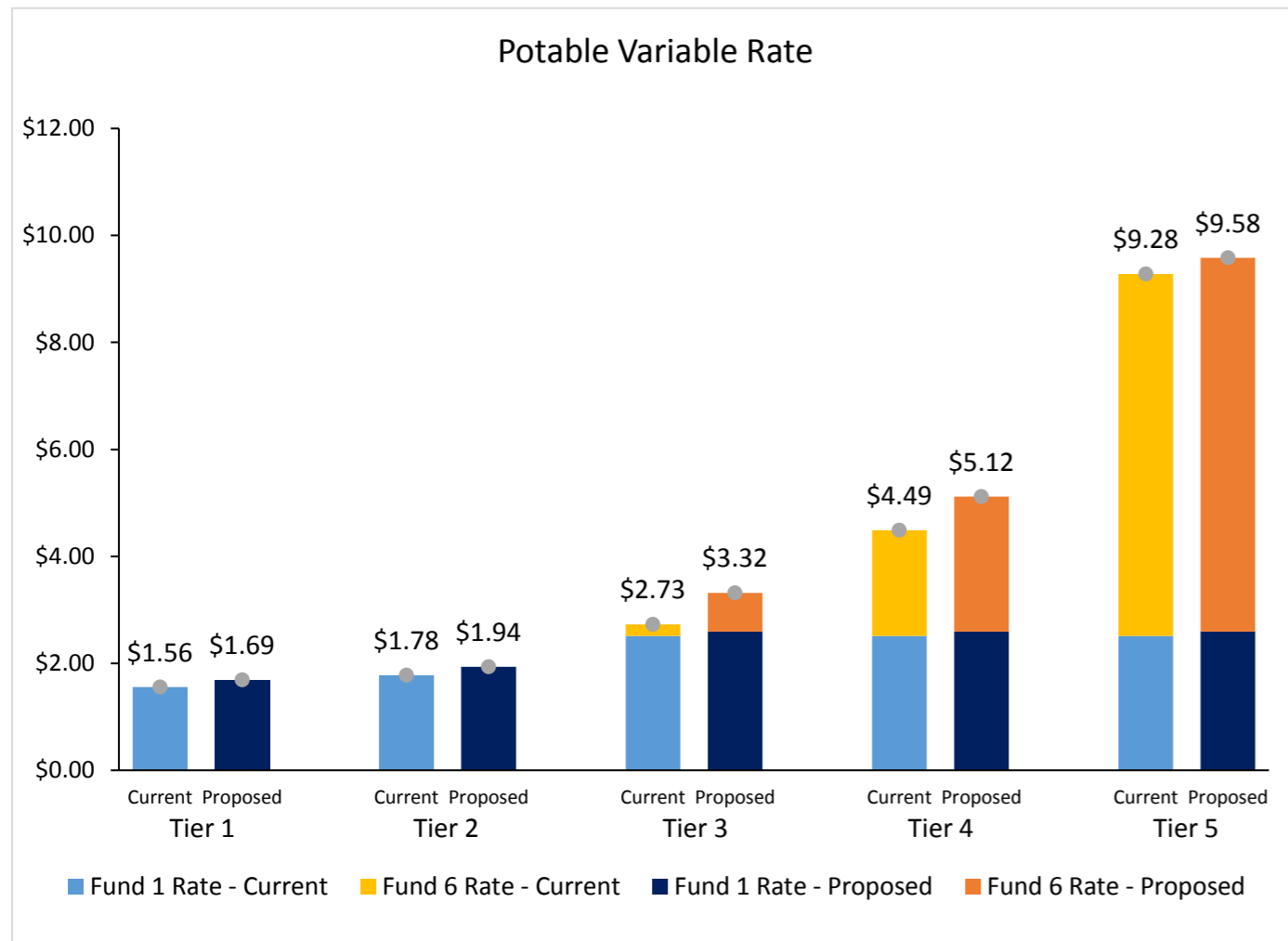
South Orange County Monthly Bill Comparison



Single Family Residential Potential Bill Changes



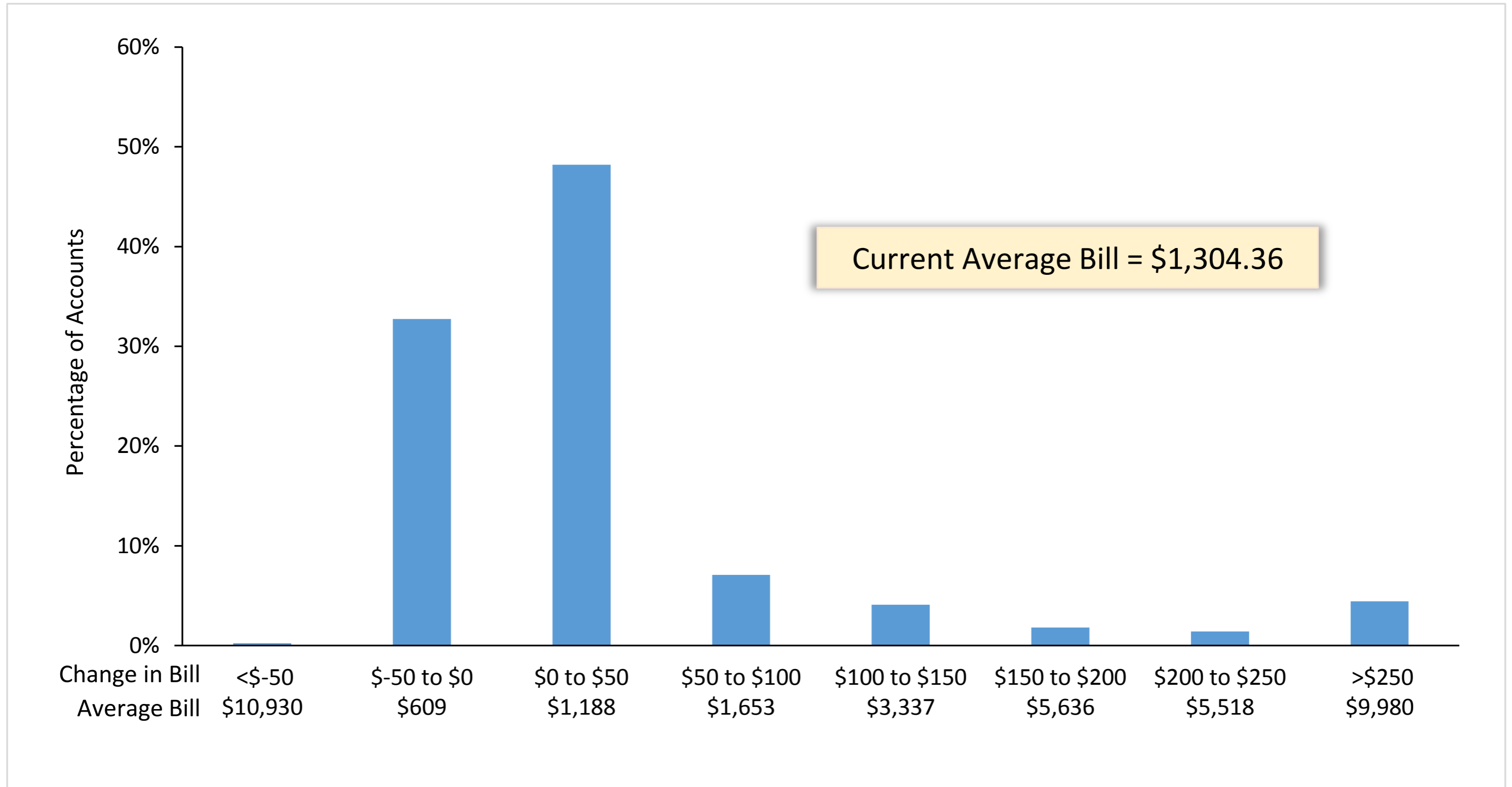
Single Family Residential Water & Wastewater Rates



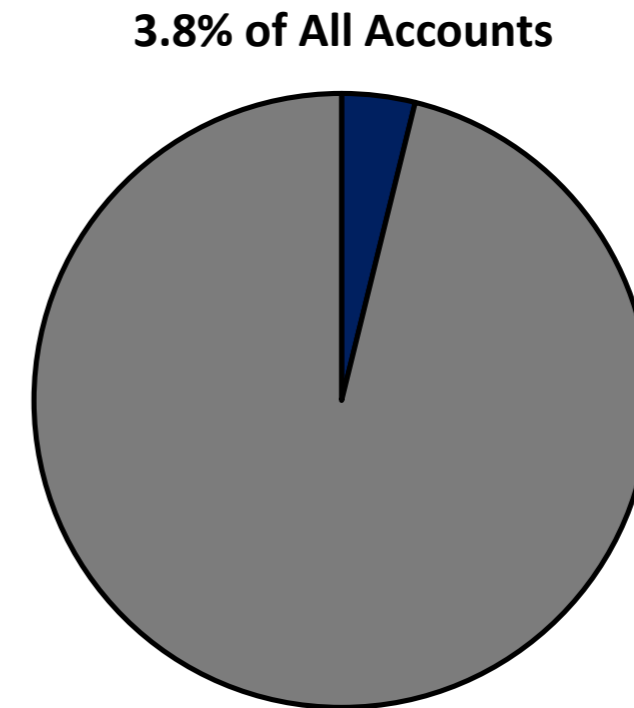
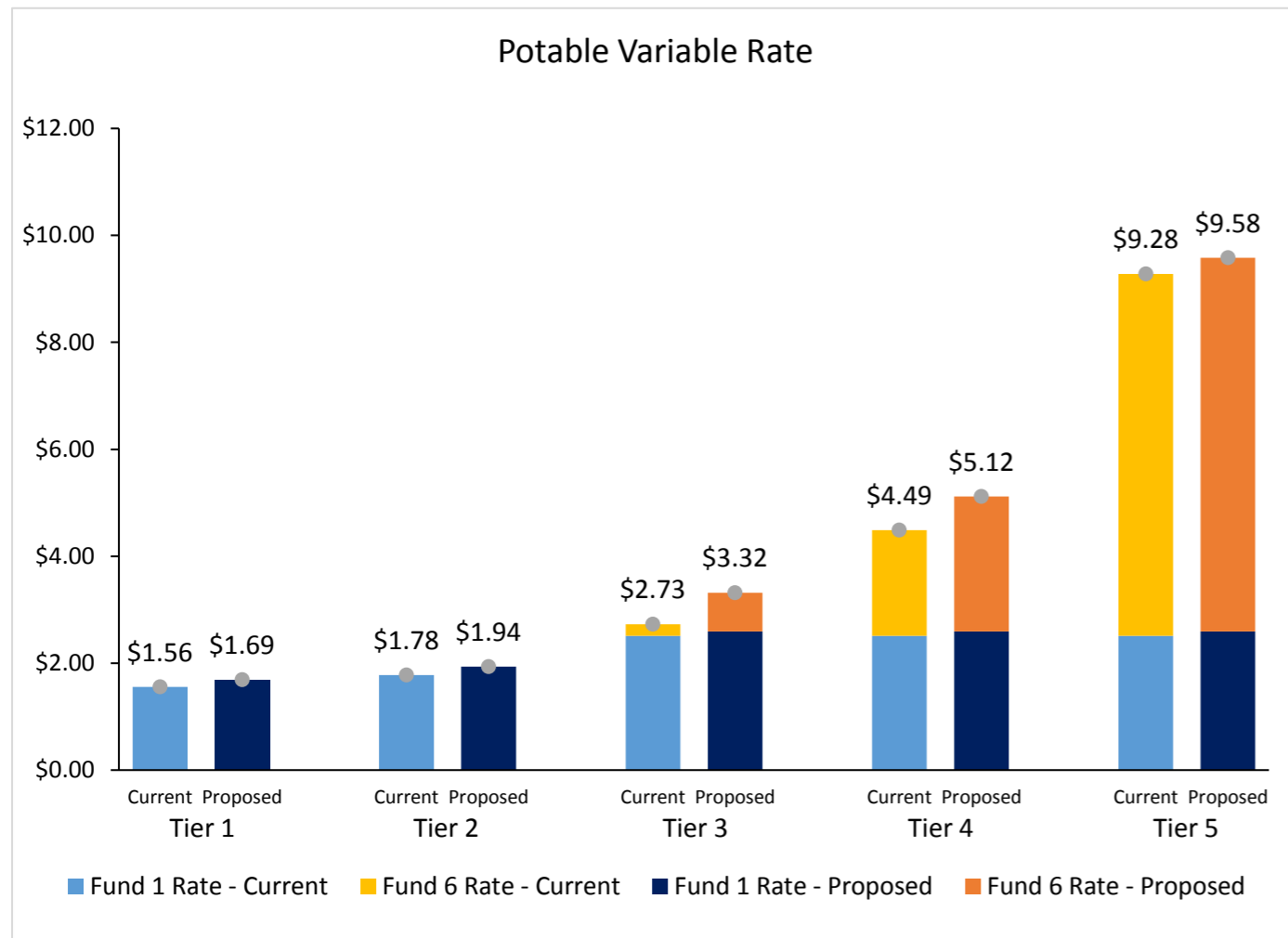
Monthly Water Service Charges (\$/Meter)			
<i>Meter Size</i>	<i>Accounts</i>	<i>Current</i>	<i>Proposed</i>
5/8", 3/4", 1"	47,661	\$11.91	\$11.22
1.5"	96	\$39.73	\$37.41
2"	35	\$63.57	\$59.85

Wastewater Monthly Charge		
<i>Household</i>	<i>Current</i>	<i>Proposed</i>
2	\$26.22	\$22.98
3	\$26.22	\$27.30
4	\$26.22	\$31.61
5	\$26.22	\$35.92

Local Business Potential Bill Changes



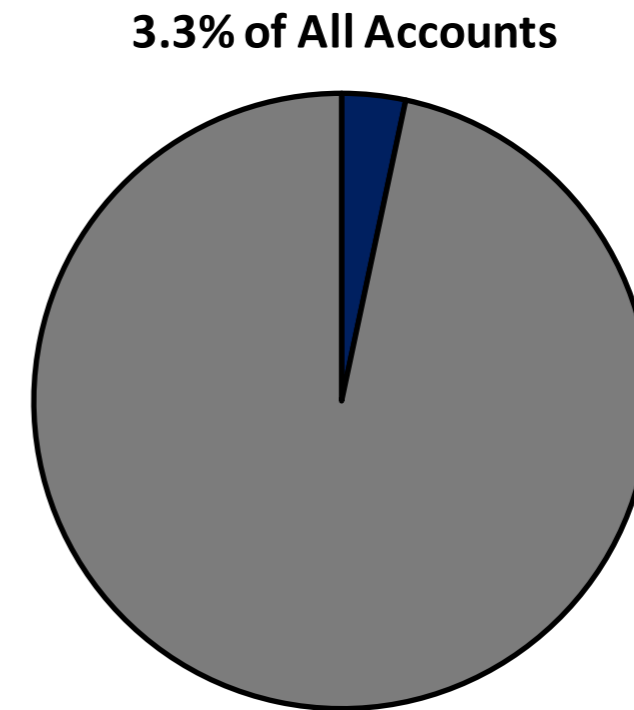
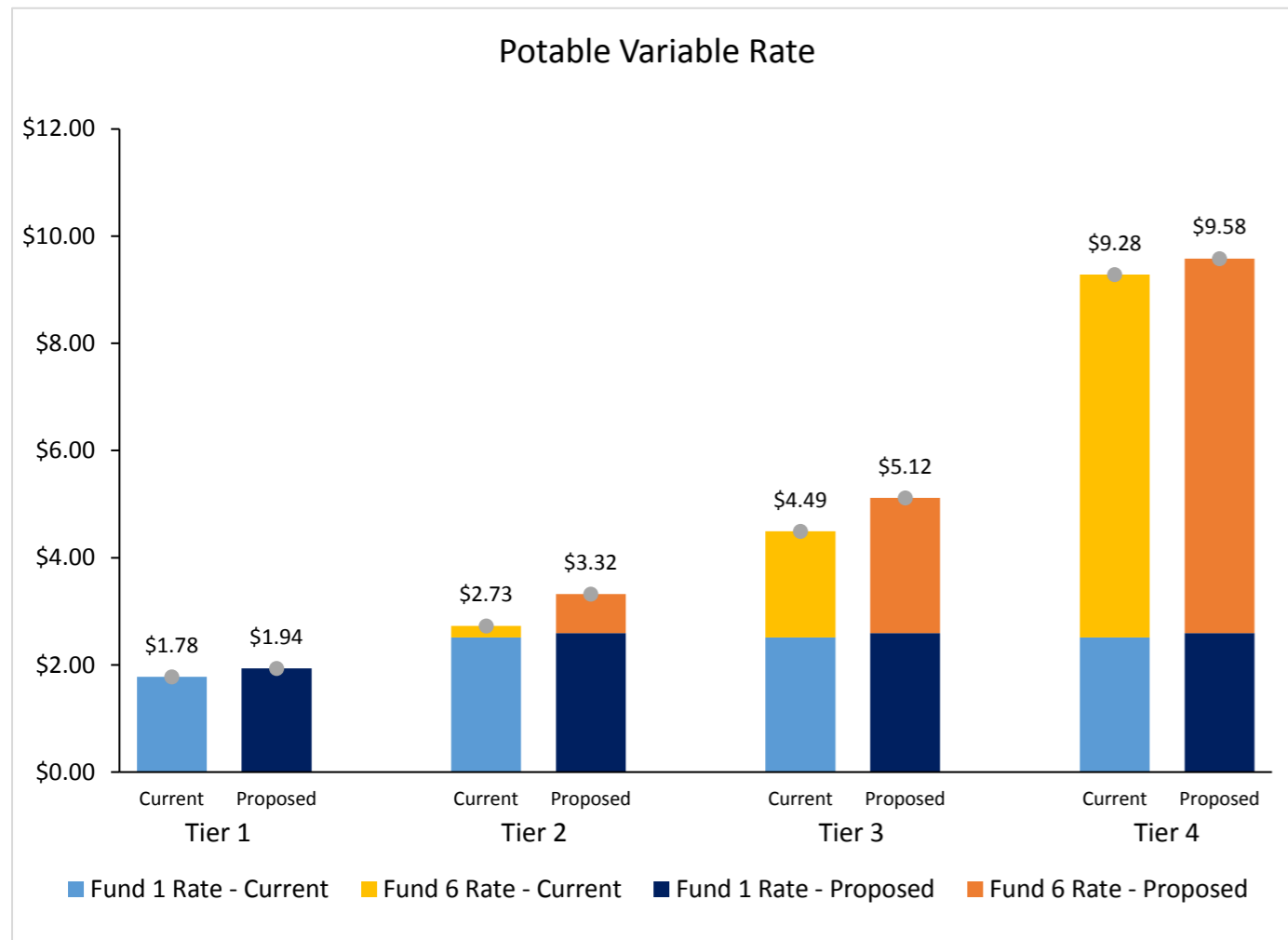
Master Metered Residential Water & Wastewater Rates



Monthly Water Service Charges (\$/Meter)			
Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	116	\$7.33	\$10.78
1.5"	232	\$24.45	\$25.20
2"	1,724	\$39.11	\$37.56
3"	27	\$85.57	\$76.70
4"	23	\$146.69	\$128.19
6"	6	\$305.85	\$262.09
8"	4	\$440.06	\$375.38

Wastewater Service Charges			
<i>Per Person Charge (\$/Person/Mo.)</i>			
Default Size		Current	Proposed
2		-	\$4.31
<i>Meter Service Charge (\$/Meter/Mo.)</i>			
Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	116	\$28.58	\$16.93
1.5"	232	\$87.76	\$51.38
2"	1,717	\$138.50	\$80.90
3"	19	\$299.17	\$174.41
4"	13	\$510.54	\$297.43
6"	3	\$1,060.15	\$617.30
8"	2	\$1,525.19	\$887.95

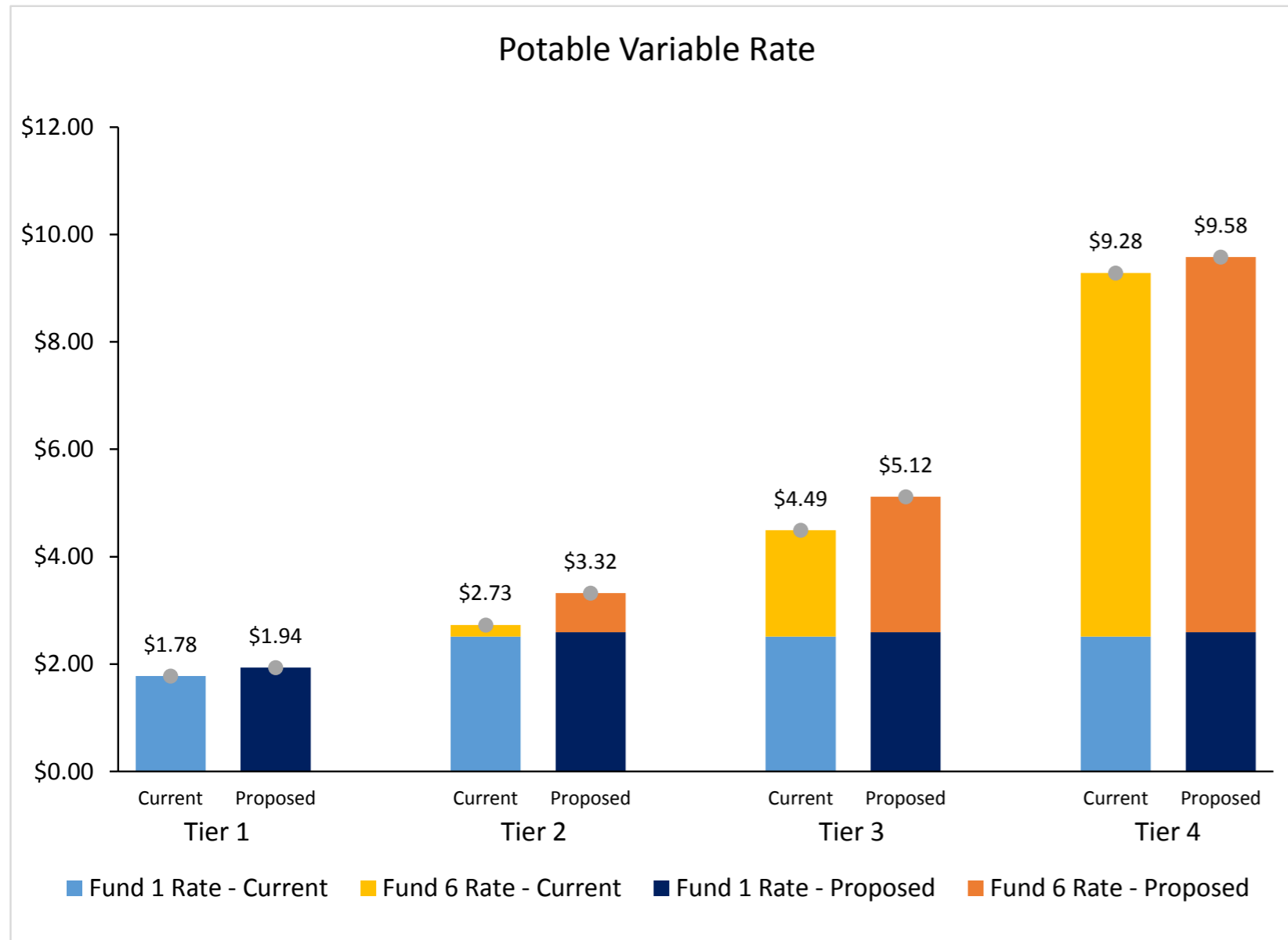
Commercial Water & Wastewater Rates



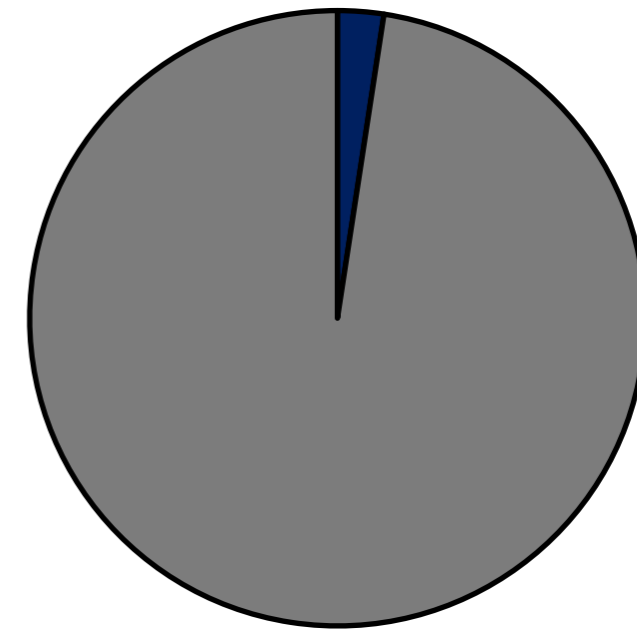
Monthly Water Service Charges (\$/Meter)			
Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	625	\$6.55	\$5.54
1.5"	297	\$21.84	\$18.46
2"	803	\$34.94	\$29.54
3"	41	\$76.42	\$64.61
4"	71	\$131.00	\$110.76
6"	4	\$273.14	\$230.76
8"	10	\$393.00	\$332.29
10"	2	\$633.39	\$535.36

Wastewater Service Charges							
<i>Commercial 1 (\$/Meter/Mo.)</i>				<i>Commercial 2 (\$/Meter/Mo.)</i>			
Meter Size	Accounts	Current	Proposed	Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	418	\$20.66	\$20.84	5/8", 3/4", 1"	96	\$44.02	\$49.91
1.5"	150	\$61.35	\$64.39	1.5"	82	\$139.21	\$161.30
2"	525	\$96.23	\$101.73	2"	151	\$220.81	\$256.78
3"	21	\$206.69	\$219.97	3"	5	\$479.25	\$559.18
4"	27	\$352.02	\$375.54	4"	10	\$819.25	\$957.02
6"	2	\$729.89	\$780.02	6"	1	\$1,703.30	\$1,991.46
8"	1	\$1,049.61	\$1,122.27	8"	3	\$2,451.32	\$2,866.73
10"	1	\$1,689.08	\$1,806.78	10"	-	-	-
<i>Commercial 3 (\$/Meter/Mo.)</i>				<i>Commercial 4 (\$/Meter/Mo.)</i>			
Meter Size	Accounts	Current	Proposed	Meter Size	Accounts	Current	Proposed
5/8", 3/4", 1"	47	\$90.56	\$107.85	5/8", 3/4", 1"	22	\$97.70	\$117.98
1.5"	46	\$294.33	\$354.40	1.5"	16	\$318.12	\$388.15
2"	71	\$469.01	\$565.76	2"	40	\$507.08	\$619.77
3"	1	\$1,022.23	\$1,235.12	3"	-	-	-
4"	2	\$1,750.04	\$2,115.74	4"	-	-	-

Potable Irrigation Rates

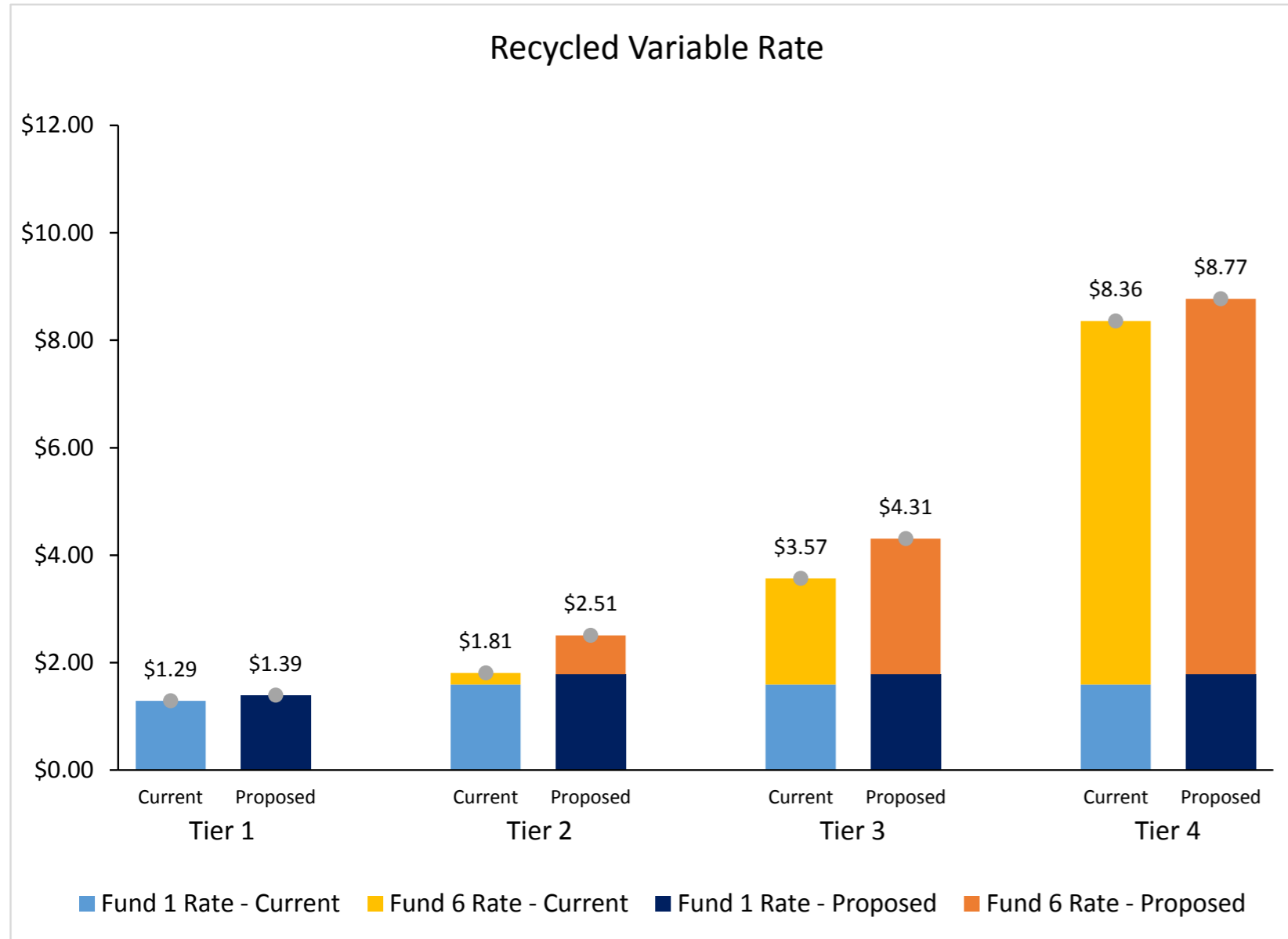


2.4% of All Accounts

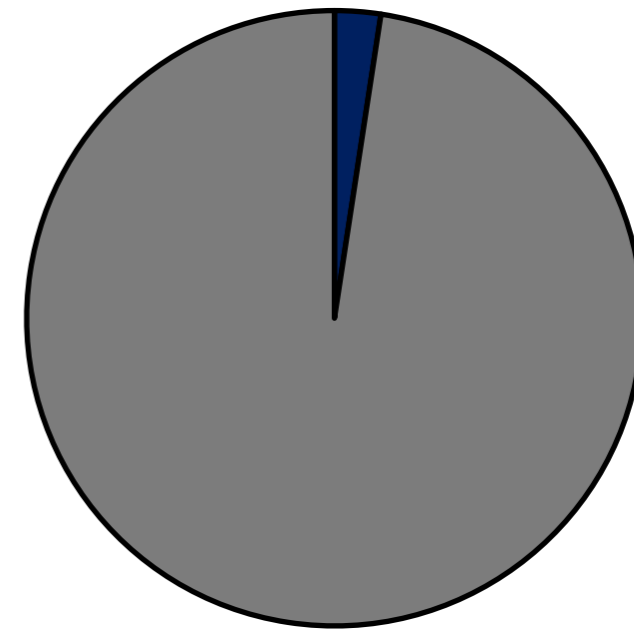


Monthly Water Service Charges (\$/Meter)			
<i>Meter Size</i>	<i>Accounts</i>	<i>Current</i>	<i>Proposed</i>
5/8", 3/4", 1"	125	\$18.65	\$18.06
1.5"	193	\$62.15	\$60.21
2"	1,011	\$99.44	\$96.34
3"	5	\$217.54	\$210.76
4"	6	\$372.91	\$361.29
6"	1	\$777.51	\$752.68

Recycled Irrigation Rates



2.4% of All Accounts



Monthly Water Service Charges (\$/Meter)			
<i>Meter Size</i>	<i>Accounts</i>	<i>Current</i>	<i>Proposed</i>
5/8", 3/4", 1"	15	\$18.65	\$18.06
1.5"	77	\$62.15	\$60.21
2"	1,206	\$99.44	\$96.34
3"	4	\$217.54	\$210.76
4"	8	\$372.91	\$361.29
6"	8	\$777.51	\$752.68
8"	1	\$1,118.72	\$1,083.86
10"	2	\$1,803.00	\$1,746.22