

Rate Adjustments: Our Process & Recap

December 11, 2017



moulton niguel water district



Accountable



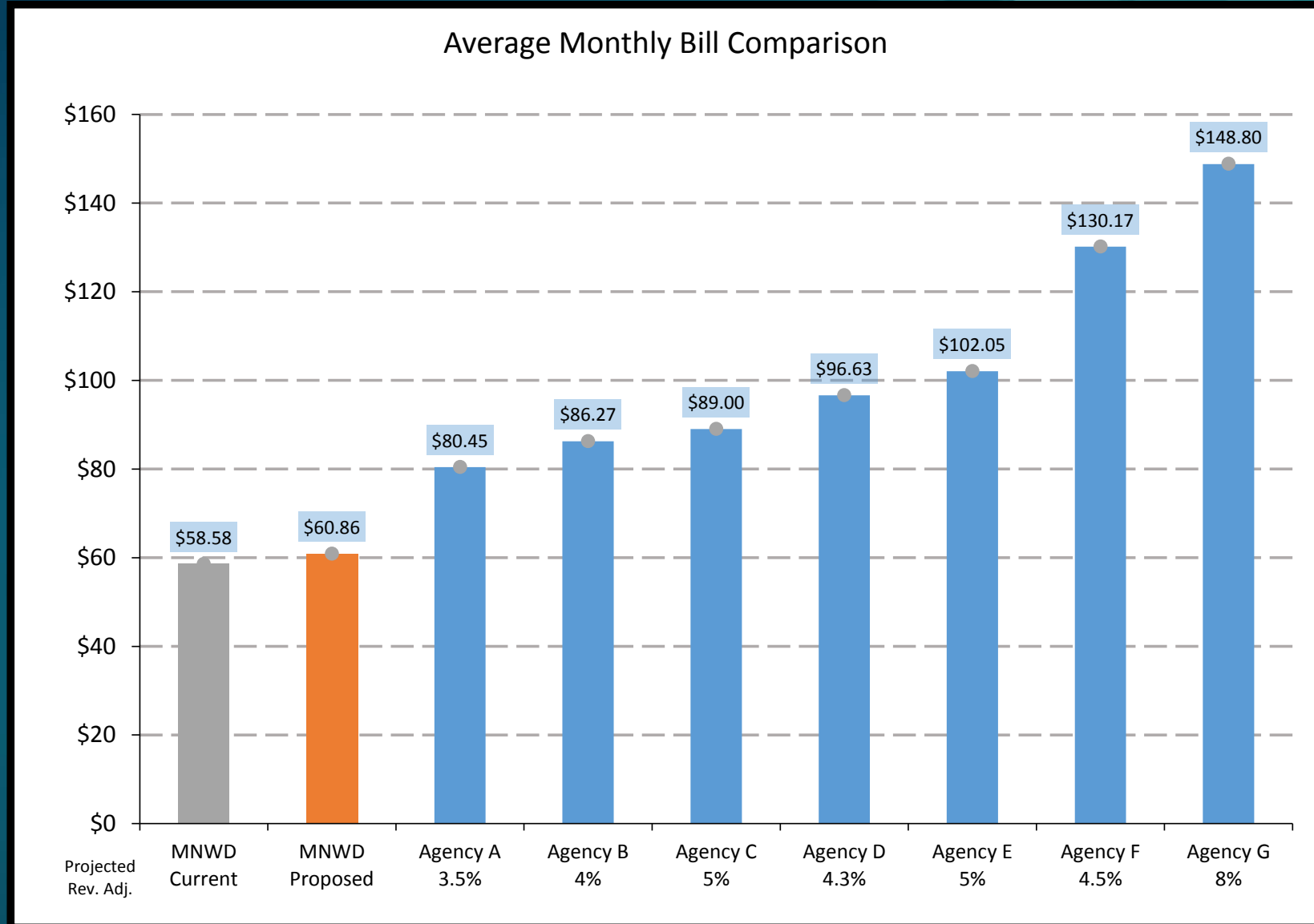
Responsible



Efficient

Maintaining the **Lowest** Average Bill in South Orange County

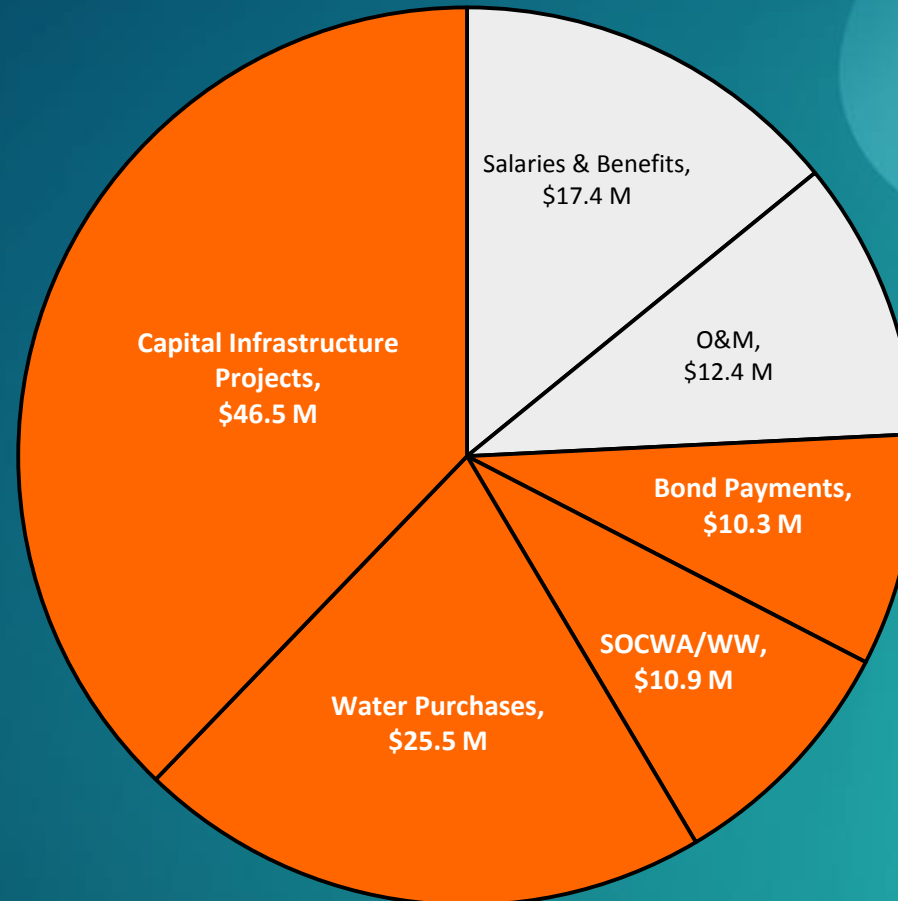
- Reward efficient use
- Equitable cost allocation
- Need revenue to operate and replace necessary infrastructure
- Some bills will increase, some will decrease



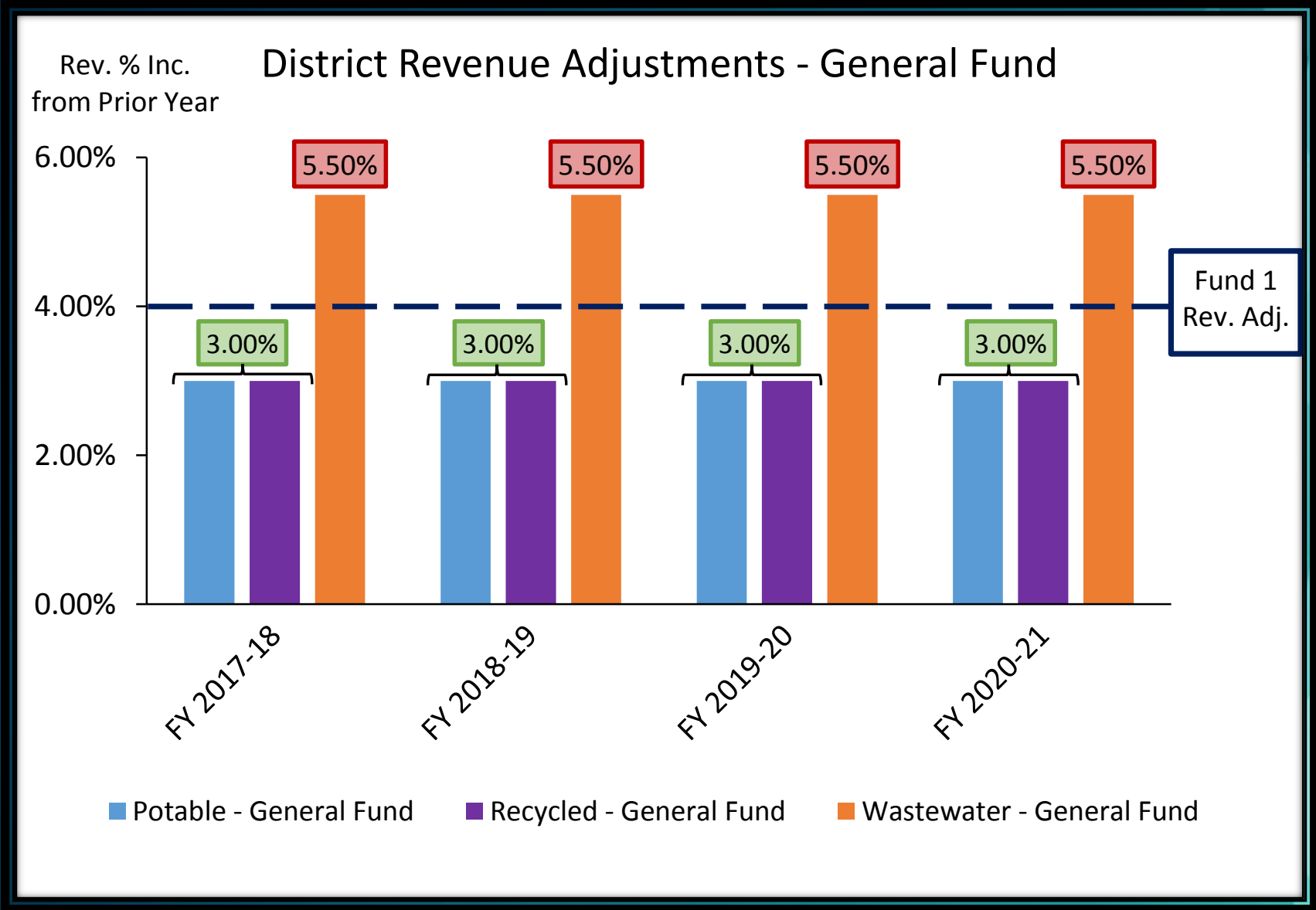
Why Adjust Rates?

General Fund Revenue Requirement = \$122.96 M

- Increasing Costs
- Main Cost Drivers:
 - Infrastructure
 - Imported Water
 - Wastewater Treatment



Revenue Adjustments Needed



What Has Changed?

- Wastewater costs increased
- Align costs with usage
- Indoor efficiency improved by 5 gallons to reflect current indoor water use in the District

Monthly Water Usage Charges (\$/ccf)		
<i>Meter Size</i>	<i>Current</i>	<i>Proposed</i>
Tier 1	\$1.56	\$1.69
Tier 2	\$1.78	\$1.94
Tier 3	\$2.73	\$3.32
Tier 4	\$4.49	\$5.12
Tier 5	\$9.28	\$9.59

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

Wastewater Monthly Charge		
<i>Household Size</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

Customer Outreach

Public Board Meetings

- 1. December 2016 – Rate Study Kick-Off & Revenue Requirements Discussion
- 2. February 2017 – Revenue Requirements Update
- 3. May 2017 – Revenue Requirements Update
- 4. July 2017 – Rate Policies & Revenue Requirements Discussion
- 5. September 2017 – Cost of Service Analysis & Rate Schedules Recommendation
- 6. September 2017 – Rate Schedules Recommendation Discussion
- 7. October 2017 – Rate Schedules Recommendation Discussion

Customer Meetings

- 1. Alicia Plaza Apartments
- 2. Alicia Village Apartments
- 3. Aliso Viejo Country Club
- 4. Alize at Aliso Viejo
- 5. Arroyo Trabuco Golf Club
- 6. Aliso Viejo Community Association
- 7. Barcelona LLC
- 8. City Lights
- 9. City of Aliso Viejo
- 10. City of Dana Point
- 11. City of Laguna Hills
- 12. City of Laguna Niguel
- 13. City of Mission Viejo
- 14. City of Mission Viejo - City Council
- 15. County of Orange
- 16. El Niguel Country Club
- 17. Enterprise
- 18. Harbor Station
- 19. Laguna Gardens Apartments
- 20. Laguna Niguel Chamber of Commerce
- 21. Mission Viejo Chamber of Commerce
- 22. Mission Viejo Country Club
- 23. Mission Viejo Environmental
- 24. Monarch Coast Apartments
- 25. Moulton Ranch III
- 26. Oso Valley Greenbelt
- 27. Quail Creek-La Paz HOA
- 28. Seaside Meadows Apartments
- 29. Shea Properties
- 30. Vantis Apartments
- 31. Village Niguel Gardens

... and several more calls, emails and conversations



Moulton Niguel Rates: Statewide Recognition

- *“Top 3 rate structure in state.”* – State Water Resources Control Board
- *“Best practice in drought planning & resilience.”* – Department of Water Resources
- *“...Bills are still significantly less than other entities in the region.”* – Fitch Ratings
- *“District’s financial performance has been strong.”* – S&P Ratings



Cost-Effective Planning & Partnerships

- ***Nearly \$300 million 10-year plan*** to replace and reinvest in aging infrastructure
- ***Saved our customers tens of millions of dollars*** through pioneering partnerships
- ***\$12 million in grants*** in past 5 years
- ***\$75 million smart and strategic*** water reliability investments over last 10 years



Continue to Maintain the **Lowest** Average Bill in South Orange County

