



POLICY A-10: WATER BUDGET MODIFICATION AND BILL ADJUSTMENT POLICY

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A-10: Water Budget Modification and Bill Adjustment Policy

The District's Water Budget Based Rate Structure is intended to recover the proportionate cost of providing water service and to allocate costs to customers who place significant demands on the District's water system. This tiered system is set forth at www.mnwd.com. Any usage over a customer's total water budget results in additional costs that their higher demand places on the system. In certain limited circumstances, the District may grant bill adjustments for qualified reasons specified in Section 3.

1. Water Budgets

1.1 Residential Customers

The residential water budget comprises a customer's calculated indoor water budget (Tier 1) and outdoor water budget (Tier 2). Usage over a residential customer's total water budget is reflected in charges in Tiers 3, 4, and 5.

Indoor water budgets are calculated based on the number of occupants customers identify as living in the home on their water service application. If the number of occupants is not provided to the District, the following assumed values will be used to calculate the customer's indoor water budget:

single-family customers: four household occupants

multi-family customers living in condominiums: three household occupants

multi-family customers living in apartments: two household occupants

Outdoor water budgets are calculated based on the actual square footage of landscaped areas determined by the District's Geographic Information System, County Assessor parcel data, site surveys conducted by the District, or customer information through the budget modification process.

Indoor Water Budget Formula: 55 gallons of water per day x the number of household occupants x the number of days in the billing cycle ÷ 748 gallons = Number of Billing Units

Outdoor Water Budget Formula: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.7 (Landscaping Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units



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1.2 Commercial Customers

Commercial customers are given a total water budget (Tier 1) based on a three-year rolling average of each commercial customer’s usage, determined by the customer’s current month’s usage and the usage associated with the respective month from the prior two years. Usage over a commercial customer’s total water budget is reflected in charges in Tiers 2, 3, and 4.

New commercial customers who do not have a consumption history with the District will be billed at the Tier 1 rate and will not incur any over-budget charges for the first year. After the first year, their calculated water budget will be based on the monthly usage in the first year. After two years of consumption history, commercial customers will be billed with a water budget that averages the usage of each respective month within the first two years.

Each month’s usage is weighted by the number of days in that bill to account for the potential difference in meter read dates for the different years. See below for an example calculation of the January 2023 water budget for a commercial customer:

$$\left(\frac{\text{Jan 2023 Usage}}{\text{Days in Jan 2023 Bill}} + \frac{\text{Jan 2022 Usage}}{\text{Days in Jan 2022 Bill}} + \frac{\text{Jan 2021 Usage}}{\text{Days in Jan 2021 Bill}} \right) / 3 * (\text{Days in Jan 2023 Bill})$$

1.3 Potable and Recycled Water Irrigation Customers (Irrigation Customers)

Irrigation customers’ outdoor water budgets (Tier 1) are calculated based on the actual square footage of the landscaped area irrigated by each meter connection determined by the District’s Geographic Information System, County Assessor parcel data, site surveys conducted by the District, or customer input through the budget modification process. Usage over an irrigation customer’s total water budget is reflected in charges in Tiers 2, 3, and 4.

Potable Irrigation Water Budget Formula: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.7 (Landscaping Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

Recycled Water Irrigation Water Budget Formula: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.8 (Landscaping Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

Public Space Irrigation Water Budget Formula for RC9 and I9 Accounts: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 1.0 (Landscaping Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units



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2. Modifications to Water Budgets and Wastewater Charges

2.1 General Information

A water budget modification may increase a customer's base water budget established on various factors and is determined case-by-case. The customer is responsible for requesting a budget modification to their base water budget by submitting a Budget Modification Request Form to the District. Acceptable proof (e.g., site plans) may be required for each budget modification request at the discretion of the District. An approved budget modification is effective on the bill following the date the District approved the Budget Modification Request.

Any customer providing falsified information to the District may be liable for back charges. Bill calculations based on falsified information will be recalculated with corrected customer account details.

2.2 Procedure to Request a Budget Modification

A [Budget Modification Request Form](#) must be submitted to the District, available at www.mnwd.com/adjustments/. Additional documentation may be requested at the discretion of the District for review only; the District will not retain any copies. A site survey may be required so District staff can verify the Request and only requires the customer to be present. The District will respond to the Budget Modification Request via phone call or email.

If a Request is denied, the Budget Modification Request Form may be resubmitted for further review. Decisions made by the General Manager or their designee are final.

2.3 Residential Customers

Residential customers must submit a [Residential Budget Modification Request Form](#).

Relevant factors that may support a Budget Modification include:

Landscaped Area Change: increase or decrease of irrigated area

Livestock: an additional 15 gallons per day per animal over 100 pounds, limited to the maximum number of animals established by the applicable municipal ordinances.

Medical Needs

The number of permanent occupants in a dwelling unit determines a residential customer's indoor water budget and wastewater charge, comprising a base and per-person wastewater charge. Requests to update the number of occupants can be made to the District directly via



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phone call or in person and do not require submission of a Budget Modification Request Form.

No bill adjustment will be made for approved modifications to a residential customer's indoor water budget, but a bill adjustment may be requested for an approved outdoor water budget modification. See Section 3 for further details on the District's bill adjustment policy.

2.4 Commercial Customers

Commercial customers must submit a [Commercial Budget Modification Request Form](#). Relevant factors that may support a budget modification include:

- Additional Employees
- Changes in Business or Occupancy
- Expansion of Production Capacity and/or New Technology
- Increased Landscaped Area (mixed-use commercial only)

2.5 Potable and Recycled Water Irrigation Customers (Irrigation Customers)

Irrigation customers must submit a [Commercial Budget Modification Request Form](#). The relevant factor that could support a budget modification is a change in the landscaped area. A change occurs when an increase or decrease in the landscaped area is identified during a site measurement performed by the District or on an approved site drawing provided by the irrigation customer.

3. Bill Adjustments

3.1 General Information

The District may grant bill adjustments for qualified and extraordinary events, provided the customer demonstrates progress towards resolving issues resulting in over-budget consumption. The customer is responsible for requesting a bill adjustment by submitting a [Bill Adjustment Request Form](#). Acceptable proof may be required for each Bill Adjustment Request at the discretion of the District.

Bill adjustments will be made in the form of a credit posted to the customer's account within two billing periods following the District's approval of the Request. No checks will be issued.



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To receive a bill adjustment, a customer may be required to have:

- 'Good Standing' Account: a relevant account of a current customer with all bills paid promptly or in an alternative payment arrangement, such as a payment plan or extension
- Customer Portal Registration: customer may be required to register for a web portal account at mywater.mnwd.com and be enrolled in "Leak Alert" notifications.
- Submission Timeframe: requests must be submitted within three months following the billing date detailed in the qualified bill. If the account is closed and the affected bill is the final bill, the Bill Adjustment Request must be submitted within one month following the billing date.
- Limit of Three Courtesy Bill Adjustments per 12 months: a District supervisor must approve additional requests.

Common reasons to request a Bill Adjustment include:

- Pool Refill: after partial or complete draining
- Repairs: of leaks, breaks, or malfunctions of plumbing or irrigation equipment
- New California-Friendly Landscaping: during the establishment period
- New Customer Adjustment
- District-approved Outdoor Budget Modification

3.2 Procedure to Request a Bill Adjustment

A [Bill Adjustment Request Form](http://www.mnwd.com/adjustments) must be submitted to the District, available at www.mnwd.com/adjustments. Additional documentation may be requested at the discretion of the District for review only; the District will not retain any copies. A site survey may be required for District staff to verify the Request. This will be free to the customer and only requires the customer to be present. The District will respond to the Budget Modification Request via phone call or email.

If a Request is denied, the Bill Adjustment Request Form may be resubmitted for further review. Decisions made by the General Manager or their designee are final.



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3.3 Residential Customers

Residential customers must submit a [Residential Bill Adjustment Form](#).

- Usage in Tiers 1, 2, and 3 is not eligible for a bill adjustment.
- Usage billed in Tiers 4 and 5 is eligible for a bill adjustment. The water units charged in those tiers will be recalculated to the Tier 3 rate upon approval of the Residential Bill Adjustment Request.

Residential customers may request a bill adjustment for an approved Outdoor Water Budget Modification due to increased landscaped area. The District may adjust up to the most recent previous bill for a verified increase to the irrigated landscape area. No bill adjustments will be made for approved Indoor Water Budget Modifications.

3.4 Commercial Customers

Commercial customers must submit a [Commercial Bill Adjustment Form](#).

- Usage in Tiers 1 and 2 is not eligible for a bill adjustment.
- Usage billed in Tiers 3 and 4 is eligible. The water units charged in those tiers will be recalculated to the Tier 2 rate upon approval of the Commercial Bill Adjustment Request.

Commercial customers may request a bill adjustment for an approved Outdoor Water Budget Modification. The District may adjust up to the most recent previous bill for a verified increase to the irrigated landscape area.

3.5 Potable and Recycled Water Irrigation Customers (Irrigation Customers)

Irrigation customers must submit a [Commercial Bill Adjustment Form](#).

- Usage in Tiers 1 and 2 is not eligible for a bill adjustment.
- Usage billed in Tiers 3 and 4 is eligible. The water units charged in those tiers will be recalculated to the Tier 2 rate upon approval of the Commercial Bill Adjustment Request.

Irrigation customers may request a bill adjustment for an approved Water Budget Modification. The District may adjust up to the most recent previous bill for a verified increase to the irrigated landscape area.



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4. Definitions

Bill Adjustment – a recalculation of charges on an existing bill.

Billing Unit (BU) – a unit for measuring water usage. One BU equals one hundred cubic feet (HCF) or 748 gallons of water. HCF is synonymous with BU.

Budget Modification – a change in the factors used to calculate a customer's water budget.

California-Friendly Landscaping - vegetation meeting Water Use Classifications of Landscape Species (WUCOLS) with low or very low watering needs for the South Coastal Region.

Conversion Factor – used to convert Evapotranspiration, measured in inches, to gallons.

Customer – a person who, according to the District's records, has an account with the District and receives water or recycled water service to a parcel of property.

District – Moulton Niguel Water District.

District Supervisor – a supervisor, manager, or officer from the Customer Accounts, Customer Engagement, or Water Efficiency departments.

Evapotranspiration (ET) – both the evaporation of water from the land surface and the transpiration of water through plants into the atmosphere. The District measures daily local evapotranspiration at 110 micro-zones throughout its service area.

I9 Account– potable irrigation locations in high-traffic recreational public spaces.

New Customer Adjustment – A one-time bill adjustment provided courtesy of the District for over-budget water consumption. Exclusively allowed for new customers within the first 12 months of service with the District at each location.

Person – any natural person, firm, joint venture, joint stock company, partnership, public or private association, club, company, corporation, business trust, organization, public or private agency, government agency or institution, school district, college, university, any other user of water provided by the District, or the manager, lessee, agent, servant, officer or employee of any of them, or any other entity which is recognized by law as the subject of rights or duties.



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Landscaping Factor - a measurement of the water needs of a landscaped area that is used to calculate each customer's outdoor budget within the District's service area and guidelines provided by state law and California Department of Water Resources' Model Water Efficient Landscape Ordinance. The landscaping factor is a conversion factor to multiply with daily evapotranspiration to determine the daily watering needs per unit of surface area of plant coverage that also accounts for irrigation efficiency.

Potable water – Shall mean that water furnished to the customer which is drinkable, and does not endanger the lives or health of human beings, and which conforms to the latest edition of the United States Public Health Service Drinking Water Standards or any other applicable standards.

Qualifying Event – A unique incident or occurrence eligible for a bill adjustment.

RC9 Account – recycled water customers with high-traffic public spaces.

Recycled water – Shall mean water served from the District's facilities, including, but not limited to, a combination of treated wastewater and intercepted surface stream flow, supplemented by other water, including potable water.

State – the state of California, including any department or regulatory agency.

Water Budget – the amount of water representing efficient water use for each customer calculated by the District per its Water Budget Based Rate Structure.