State Water Resources Control Board
Urban Water Conservation Workshop

December 17, 2014
• Water service to approximately 70,000 people.
• 122-square mile service area.
• 20% of overall demands met with recycled water.
• All potable water purchased from Metropolitan Water District.
• Provide sanitation services, wholesale recycled water and composting through Joint Powers Authority.
• In March 2014, Board approved an action plan and timeline for transition to budget-based rates.
Getting to What’s Important: Why?

Why?

What?

How?
Why: Challenges Call for a Different Approach

Key Challenges:

- High GPCD
- Large variation in property size and type
- Unable to accurately distinguish efficient and inefficient customers
- Not able to provide timely customer feedback
- Conservation messaging not targeted
- Demand “rebound” after drought
- Net operating loss with low water sales
What: Desired Results

1. Water Use Efficiency
2. Customer Equity
3. Revenue Stability

Our customers want the same!
How: Budget-Based Water Rates

Fixed Tiers

- Tier 1: 0-16 hcf
- Tier 2: 17-67 hcf
- Tier 3: 68-200 hcf
- Tier 4: 201 hcf +

Individualized Tiers

- Efficient
- Inefficient
- Excessive
- Wasteful

Budget

Tier 1: 0-16 hcf
Tier 2: 17-67 hcf
Tier 3: 68-200 hcf
Tier 4: 201 hcf +

125% 150% 151% +
The Results – IRWD, Orange County

RESIDENTIAL GP CD

CALENDAR YEAR


TIERED RATE STRUCTURE 1991

EL NIÑO 1997

2007 RECORD LOW RAINFALL 4.12"

VERY WET 2010

2011-2014 RECORD DROUGHT

RESIDENTIAL ACCOUNTS 25% REDUCTION
Q1: What more should be done?

- Provide support for implementing budget-based rates.
- Accelerate installation of water meters and volumetric billing.
- Implement recommendations from Independent Technical Panel on DMMs (AB 1420).
- Conduct workshops to showcase technological innovations supporting conservation.
- Implement an additional round of expedited Prop. 84 funds.
- Consider provision to prevent municipalities from citing or fining water-conserving residents.
- Broaden scope of AB 2104 to cover pervious forms of hardscape.
- Sponsor a statewide media campaign.
- Extend the current emergency regulations for 270 days.
Q2: Additional SWRCB Requirements?

- Adopt “Prohibited Activities in Promotion of Water Conservation” (Sec. 864) permanently.
- Add requirement that restaurants serve water only upon request and hotels offer guests option to reuse towels and linens.
- Maintain recognition of budget-based rates as acceptable means of alternative compliance.
- Ensure responsibility for enforcement remains at local level.
Q3: How to Compel Conservation?

- Ensure that the proper metrics are used to identify “poor performing areas”.
- Conduct a technical analysis of poor performing areas with a peer-review by CUWCC to verify causes and develop response actions, considering:
  - Demand hardening
  - Economic conditions
  - Weather patterns
  - Resource limitations
  - Other factors
Q4: Additional Data Collection?

• Collect data from water suppliers to demonstrate that overall water usage is efficient in accordance with state legislation.
  – Population
  – Total irrigated and/or landscaped area
  – Evapotranspiration rates
  – CII customer needs

• Alternatively, in the absence of the above data, collect data to identify:
  – Longer water use trends with a focus on GPCD reductions compared to 20x2020 targets.
  – Changes in economic indicators and unemployment rates that are strongly correlated to water demands.
  – Demands distinguished by customer class (single- v. multi-family, residential v. non-residential).
Questions?

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