

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 12, 2015 BOARD MEETING

SUBJECT : WATER CONSERVATION PLAN FOR CITRUS HEIGHTS WATER DISTRICT CUSTOMERS  
 STATUS : Action Item  
 REPORT DATE : May 7, 2015  
 PREPARED BY : Hilary Straus, Assistant General Manager/Treasurer  
 Susan Sohal, Accounting Supervisor and Assessor/Collector  
 Rex Meurer, Water Efficiency Coordinator

### **OBJECTIVE:**

Review the District's Water Conservation Plan developed in response to the State Water Resources Control Board's (SWRCB) conservation regulations issued on May 5, 2015, and that are consistent with Citrus Heights Water District (CHWD) Board direction provided to staff at the April 30, 2015 special meeting of the Board of Directors. Consider approving proposed Conservation Plan.

### **BACKGROUND AND ANALYSIS:**

On April 7 and 22, 2015, SWRCB staff issued revised proposed conservation regulations. Based on the revised proposals, a CHWD District-wide conservation mandate of a 32% reduction in water use was assigned. The State's conservation regulations are based on relative per capita water usage or "Residential Gallons Per Capita Per Day" (R-GPCD) as compared with average R-GPCD for the period July-September 2014.

The SWRCB issued a Notice of Proposed Emergency Rulemaking on April 28<sup>th</sup>, 2015. The SWRCB approved regulations in the Notice at its May 5, 2015 meeting with some modifications, but the CHWD's 32% water usage reduction mandate was not changed. The State Board's actions on May 5, 2015, will become effective on May 15, 2015. The State's evaluation and enforcement begins June 2015, and will be assessed beginning on July 15<sup>th</sup>, 2015.

CHWD has already achieved a conservation rate of 20% during 2014. Because of the additional actions from the SWRCB, CHWD staff is recommending additional conservation measures as part of a proposed Water Conservation Plan for Board consideration to achieve the additional 12% of State-mandated water savings.

CHWD held a Special Board meeting on April 30<sup>th</sup>, 2015. The meeting was an information workshop on the status of the drought and the State's and the District's responses to date, including the District's two comments letters to the SWRCB, dated April 13, 2015 and April 22, 2015. Also, staff presented several conservation options for Board consideration should the State move forward with more stringent conservation regulations. The workshop concluded with the Board providing direction concerning various possible future conservation measures, and directed staff to return to its May 12<sup>th</sup>, 2015 meeting with a proposed Water Conservation Plan for Board consideration. The following recommendations are included in a Resolution accompanying this Board agenda item:

1. Adopt a Stage 4 Water Crisis Long Term Mandatory Requirements (Exhibit A to the Resolution). These measures coincide with the State's new regulations requiring the District

- to reduce consumption by 32% through February 2016. Note—The District’s Stage 4 Water Crisis includes measures to reduce District water consumption ranging from 26% to 50%;
2. Approve a budget amendment of \$146,000 to cover the cost of conservation measures recommended (Exhibit B to the Resolution);
  3. Enact the Water Shortage Rate Structure for Stage 4 Water Crisis (including a 25% increase on the usage portion of the District’s existing rate) (Exhibit C to the Resolution). Further, direct the District to issue a thirty day (30) notice to all District customers, consistent with Board action on November 19, 2014.

***Stage 4 Water Crisis Long Term Mandatory Requirements (Exhibit A to the Resolution)***

Water conservation regulations for a Stage 4—“Water Crisis Long Term” were approved by the Board in November 2014 for implementation should drought conditions warrant. Continued severe drought conditions and the SWRCB’s May 5, 2015 regulations have necessitated that the District Board consider implementing Stage 4 conservation regulations. The updated regulations are proposed to replace the District’s Stage 4 conservation regulations developed approximately five years ago. The updated regulations closely match San Juan Water District’s retail customer regulations and Orange Vale Water Company’s regulations.

***Budget amendment of \$146,000 to implement Conservation Regulations—Water Conservation Plan (Exhibit B to the Resolution)***

The following new highlighted expenses, proposed to be added to the 2015 CHWD operating budget through Board adoption of the accompanying Resolution, outline drought response measures that make up the District’s Water Conservation Plan. A detailed list of new expenses included in the Water Conservation Plan is included in Exhibit B to the Resolution. Again, these measures are consistent with the SWRCB’s May 5<sup>th</sup> regulations and CHWD Board direction provided on April 30<sup>th</sup>.

**Temporary Part-time Drought Response Staffing:**

- Hire 2 additional temporary staff members for water waste monitoring and administrative duties;
  - 1 Office  
One Administrative Assistant for phone and customer correspondence at \$25/hour for up to 28 hours per week (28 hours/week for 7 months at \$25/hour = \$19,600).
  - 1 Field  
One Field/Monitoring Staff Member at \$30/hour for up to 28 hours per week (28 hours/week for 7 months at \$30/hour = \$23,520).
- Hire a private security company for water waste monitoring at night: \$44,800.
- Use of Circlepoint for the following *Public Engagement/Public Information* measures:
  - Addition of an online water waste reporting tool: \$6,015.

- Addition of social media page to the website: \$8,030.
- One time direct mailer to CHWD customers with a 30-day rate increase notice and conservation information: \$14,500.
- Increased public outreach, including developing a “Drought Resource Center” at the District’s web site and in the front lobby: \$7,500.
- Extend the District’s efforts at public outreach through the Regional Water Authority (RWA); “Drought Busters” public outreach campaign: Staff time and materials.
- Work with up to the top 20% of high consumption users in the District to reduce consumption.
  - District staff will focus on customer class and usage.
  - District staff proposes to work with customers on a case-by-case basis to achieve compliance.
- Utilize Operations personnel to distribute water waste door hangers on a case-by-case basis.
- 10% contingency.

***Stage 4-Water Shortage Rate Structure—25% increase on Usage Charge (Exhibit B to the Resolution).***

As discussed at the April 30<sup>th</sup>, 2015 Special Board Meeting, consideration of implementing water shortage rates can supplement the anticipated reduction in revenue, and send price signals to rate payers to further reduce water consumption.

Water Shortage Rate Structure

The Water Shortage Rate Structure was adopted by the CHWD Board on November 19, 2014 after a Proposition 218 public notification process and a Public Hearing conducted at the same time that regular water rates for 2015 were considered. This shortage rate structure is intended to serve as a price signal for customers to encourage reduced water use in a Stage 3 or higher Water Conservation Stage. The rate structure also serves as a source of revenue to support costs that may be incurred during water shortages, including additional staffing costs, for increased water conservation activities or public engagement and public information efforts.

The Water Shortage Rate Structure extends the regular 2015 water rates by implementing two additional charges. The first is a *Water Shortage Charge* that sets a percentage increase on the cost of every unit<sup>1</sup> of water consumed by the customer. The second is an *Excess Use Charge* in the form of a higher percentage increase on units of water consumed in excess of a specified number of units based on the size of the customer’s water meter. For example, a typical residential customer with a 1-inch meter would pay the excess use charge if their water consumption exceeds 52 units during a two-month billing cycle. The Water Shortage Rate Structure varies with the level of Water Conservation Stage declared by the Board of Directors (Attachment 1). Implementation of the water shortage charge is recommended at this time.

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<sup>1</sup> 1 Unit = 748 Gallons

- **Drawdown of District's Rate Stabilization Reserves Anticipated (Attachment 2).** It is noteworthy that staff projects for the 2015 fiscal year/remaining 7 months of CHWD's calendar-based budget year (June-December), Stage 4 drought conditions and accompanying conservation measures would result in the following draw-down of Citrus Heights Water District's Rate Stabilization Reserves (currently at \$1 million) as follows:
  - *No Drought Rates and Conservation Efforts* are implemented—operations would continue as normal, and the Reserve would maintain its current balance of \$1 million. However, the District could be fined at up to \$10,000 per day by the State for not complying with the SWRCB's May 5, 2015 drought response regulations.
  - *No Drought Rates and 32% SWRCB Conservation Efforts* are implemented—would result in an estimated deficit of approximately \$1.1 million in the District's operations budget, and would result in a draw-down of the District's Rate Stabilization Reserve by \$946,038, leaving a balance of \$53,962 in said Reserve account.
  - *Stage 4 Drought Rates Water Shortage Charge Implemented at 25% and 32% SWRCB Conservation Efforts* are implemented—would result in an estimated deficit of \$511,716 in the District's operations budget, and would result in a draw-down of the District's Rate Stabilization Reserve by \$366,094, leaving a balance of \$633,906 in said Reserve account.

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As of May 5, 2015, water usage reduction regulations have been implemented by the SWRBC. Staff recommends that the CHWD Board adopt Stage 4—Water Crisis Long Term with Modifications. In addition, staff recommends that the CHWD Board amend the District's operating budget to include an additional \$146,000 in new expenses described in this agenda packet item to achieve the additional conservation measures outlined above and in the accompanying Resolution.

Further, implementation of the Water Shortage Rate Structure is not a requirement under Stage 4, but would be consistent with the objectives of Stage 4 Water Crisis. Staff recommends that the CHWD Board implement the Stage 4 Water Crisis Water Shortage Charge at the 25% rate increase level. This rate adjustment would send an important price signal to rate payers concerning the necessity for water conservation, and result in the least negative impact to the District's financial conditions that will be stressed as a result of the drought measures and reduced consumption revenue.

To illustrate the impact of the proposed rate adjustment, staff has prepared an analysis of the rate adjustment applied to a "customer" assuming a one inch meter, an allotment of 40 units of water and a household size of 4 (Attachment 3). Additionally, staff will be prepared to run "sample rate adjustment impacts" at the Board meeting on May 12<sup>th</sup>.

Implementation requires an affirmative vote of the Board of Directors. A 30-day advance notice to customers would be made before beginning to apply the rate structure to customer bills.

**RECOMMENDATION:**

Adopt Resolution 14-2015:

1. Enacting a “Stage 4 Water Crisis Long Term Mandatory Requirements” (Exhibit A to the Resolution);
2. Approving a budget amendment of \$146,000 to implement the Water Conservation Plan (Exhibit B to the Resolution);
3. Enacting Stage 4—Water Shortage Rate Structure (Exhibit C to the Resolution).

**ACTION:**

Moved by Director \_\_\_\_\_, Seconded by Director \_\_\_\_\_, Carried \_\_\_\_\_

**ATTACHMENTS:**

Attachment 1—Water Shortage Rate Structure, Adopted by the CHWD Board on November 19, 2014  
(for Reference)

Attachment 2—Rate Stabilization Reserve Options Worksheet (for Reference)

Attachment 3—Illustration of Rate Impact on Customer

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CITRUS HEIGHTS WATER DISTRICT  
RESOLUTION NO. 14-2015

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CITRUS HEIGHTS WATER DISTRICT (CHWD)  
ENACTING A STAGE 4 – WATER CRISIS LONG TERM MANDATORY  
REQUIREMENTS WITHIN THE CITRUS HEIGHTS WATER DISTRICT, ADOPTING  
BUDGET AMENDMENTS TO IMPLEMENT A DISTRICT WATER CONSERVATION  
PLAN AND APPROVING A STAGE 4 – WATER SHORTAGE RATE STRUCTURE

WHEREAS, the Citrus Heights Water District’s mission includes providing a dependable supply of water to its customers; and

WHEREAS, California is experiencing a fourth consecutive year of drought; and

WHEREAS, the Sierra-Nevada Mountains’ snowpack was measured recently by the State of California, and was found to be less than less than 10 percent of average for April; and

WHEREAS, continued dry conditions are forecasted, and California is entering into its normal dry season during the summer and early fall months, which will further stress water supplies; and

WHEREAS, the State Water Resources Control Board (SWRCB) has adopted state-wide water reduction requirements in response to the drought and the Governor’s order, and has determined that the Citrus Heights Water District must reduce overall water usage by 32% as compared with the District’s average water usage for the months of June through September 2014; and

WHEREAS, many water purveyors around the Sacramento region and State are considering or implementing actions under their water shortage contingency plans in response to the drought and to the SWRCB’s mandates issued on May 5, 2015;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT:

1. Enacts Stage 4 “Water Crisis Long Term Mandatory Requirements” to remain in effect for the customers of the CHWD until further notice (Exhibit A);
2. Approves a budget amendment of \$146,000 to implement the District’s Water Conservation Plan (Exhibit B);
3. Implements Stage 4 – Water Shortage Rate Structure (Exhibit C), and directs that a notice of the rate change be mailed to every District customer and consumer thirty (30) days in advance of the actual rate adjustment in accordance with Board action on November 19, 2014.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS

WATER DISTRICT this 12<sup>th</sup> day of May, 2015 by the following vote, to-wit:

AYES: Directors:  
NOES: Directors:  
ABSTAIN: Directors:  
ABSENT: Directors:

SEAL

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ALLEN B. DAINS, President  
Board of Directors  
Citrus Heights Water District

ATTEST:

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ROBERT A. CHURCHILL, Secretary



## Exhibit A

### CITRUS HEIGHTS WATER DISTRICT Mandatory Requirements – Water Conservation Stage 4 Proposed May 12, 2015

#### STAGE 4 – WATER CRISIS: LONG-TERM

The declaration of Long-Term Stage 4 water conservation requirements will be by the agency's Board of Directors in a regular or special session. A long-term declaration is for water shortage conditions expected for a duration of more than 45 days. Failure to comply with the restrictions outlined in Stage 4 may result in disconnection of service and assessment of a disconnect/reconnect service charge.

1. Under State Water Resources Control Board (SWRCB) mandate, the District must reduce overall water usage by 32% from 2013 use. The amount each customer must reduce will vary depending on their current usage. For equity purposes, the District will work with high water users to obtain a reduction in water usage that may be significantly higher than 32%.
2. Water shall be used for beneficial purposes only; all unnecessary uses of water are prohibited.
3. Irrigation shall be limited to two days per week. The days of the week when outdoor water will be permitted shall be set based on the last digit of the street address. Odd addresses, streetscapes, and medians shall limit watering to Tuesdays and Saturdays; even addresses shall limit watering to Wednesdays and Sundays. No irrigation is permitted on Mondays, Thursdays and Fridays. Irrigation should be limited to the minimal amount of water necessary to keep plants and trees alive. Application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall is prohibited.
4. Water shall be confined to the customer's property and shall not be allowed to run-off to adjoining properties, non-irrigated areas, private and public walkways, roadways, driveways, sidewalks, parking lots, structures or to the roadside ditch or gutter. Care shall be taken not to water past the point of saturation.
5. Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached on any hose or filling apparatus in use. Customers are encouraged to wash automobiles or equipment at commercial establishments that use recycled or reclaimed water.
6. Leaking customer pipes or faulty sprinklers shall be repaired within 24 hours or less if warranted by the severity of the problem. Non-compliance may result in water service being disconnected/shut off until the leak is repaired and assessment of a disconnect/reconnect service charge.





## Exhibit A

### CITRUS HEIGHTS WATER DISTRICT Mandatory Requirements – Water Conservation Stage 4 Proposed May 12, 2015

#### STAGE 4 – WATER CRISIS: LONG-TERM continued

7. All pools and spas shall be equipped with a recirculation pump and shall be constructed to be leak-proof. Pool draining and refilling are prohibited unless specifically authorized by the District for health, maintenance, or structural purposes subject to written documentation by a pool maintenance professional.
8. Use of potable water to fill or refill artificial lakes or ponds, ornamental ponds and fountains is discouraged.
9. Washing streets, parking lots, driveways, sidewalks, or buildings is prohibited except as necessary for health or sanitary purposes.
10. Customers are encouraged to take advantage of the District's water conservation programs and rebates.
11. Irrigation with potable water of ornamental turf on public street medians is prohibited.
12. Commercial, industrial and institutional (CII) customers, which include public schools, public parks, public and private cemeteries and private golf courses, can choose to submit an alternative water use reduction plan to the District for consideration. Unless there are extremely unusual circumstances, the plan should reduce water usage by the required 32%.
13. Eating and drinking establishments, including but not limited, to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased shall serve water only upon request.
14. Flushing of sewers or fire hydrants is prohibited except in cases of emergency, essential District operations or unless specifically authorized by the District.
15. Water for flow testing is prohibited. Water for construction purposes from fire hydrants and blow-offs will be metered and monitored. Use of reclaimed water for construction purposes is encouraged.



## Exhibit A

### CITRUS HEIGHTS WATER DISTRICT Mandatory Requirements – Water Conservation Stage 4 Proposed May 12, 2015

#### STAGE 4 – WATER CRISIS: LONG-TERM continued

16. No new commitments will be made to provide service for new water service connections unless the Department of Water Resources Model Water Efficient Landscape Ordinance, found at:  
<http://www.water.ca.gov/wateruseefficiency/docs/MWELO09-10-09.pdf>, is followed and the plans have been approved by the county or city building department which has jurisdiction over the property location. Any authorized landscape for new connections is subject to all restrictions set forth in Stage 4.
17. Irrigation of new turf or landscaping outside of newly constructed homes is prohibited unless water is delivered by drip or micro spray systems.
18. Customers are encouraged to reduce landscape and pasture irrigation by 26-50%. Customers with “smart” irrigation timers or controllers are asked to set their controllers to achieve 50 to 74% evapotranspiration (ET) rate. Drip irrigation systems are NOT excluded from this requirement.
19. Customers are encouraged to reduce indoor water use by 26-50%. Contact the District for tips and techniques to reduce indoor water use.
20. Stage 4 Water Crisis “Water Shortage Charge” pricing will be implemented.

## Exhibit B

<b>Conservation Measure Budget Amendment</b>					
Proposed May 13, 2015					
	Description		Unit	Cost	Total
<b>Labor</b>					
	<i>Temporary Staff</i>				
	Customer Service Representative	28hrs/wk for 7 months	784	\$ 25	19,600
	Field Conservation Representative	28hrs/wk for 7 months	784	\$ 30	23,520
	Private Security Patrol	16hrs/wk for 7 months	448	\$ 100	44,800
			Subtotal		87,920
	<i>CHWD Staff</i>				
	Customer Service Representative	10hrs/mo for 7 months	70	\$ 35	2,450
	Distribution Operator	10hrs/mo for 7 months	70	\$ 45	3,150
			Subtotal		5,600
<b>Equipment</b>					
	Laptop	One time cost	1	\$ 1,800	1,800
	Phoneline	One time cost	1	\$ 100	100
	Vehicle Fuel	\$125/mo for 7 months	7	\$ 125	875
	PPE (Personal Protective Equipment)	One time cost	1	\$ 75	75
	Cell Phone	\$50/mo for 7 months	7	\$ 50	350
			Subtotal		3,200
<b>Outreach</b>					
	<i>Online waste water reporting tool</i>				
	Setup	One time cost	1	\$ 5,000	5,000
	Maintenance	\$145/mo for 7 months	7	\$ 145	1,015
			Subtotal		6,015
	<i>Social Media</i>				
	Set-Up	One time cost	1	\$ 5,500	5,500
	Maintenance	\$145/mo for 7 months	7	\$ 145	1,015
	Advertising	\$145/mo for 7 months	7	\$ 145	1,015
	Misc add ons	One time cost	1	\$ 500	500
			Subtotal		8,030
	<i>30-day Notice Direct Mailer</i>				
	Newsletter Print	One time cost	1	\$ 3,500	3,500
	Development	One time cost	1	\$ 2,000	2,000
	Mailing and Postage	One time cost	1	\$ 9,000	9,000
			Subtotal		14,500
	<i>Drought Resource Center</i>				
	District Website and Front Lobby	One time cost	1	\$ 7,500	7,500
			Subtotal		7,500
	10% Contingency				13,235
			Grand Total		146,000

**Exhibit C**

<u>Usage Charges for Water Consumed</u>		<i>1 unit = 100 cubic feet = 748 gallons</i>		
		2015 Adopted Water Rates	Proposed Water Shortage Rate	\$ Change
<i>All Domestic, Commercial, Irrigations, Combinations Meter, and Fire Service Accounts except as otherwise specified below:</i>	per unit	\$0.7663	\$0.9579	\$0.1916
<i>Construction Meters (3.0 multiplier)</i>	per unit, for all units bi-monthly	\$2.2990	\$2.8737	\$0.5747
<i>North Ridge Country Club Meter (3.0 multiplier)</i>	per unit, for all units bi-monthly	\$2.2990	\$2.8737	\$0.5747
<i>Mount Vernon Memorial Park (2.31 multiplier)</i>	per unit, for all units bi-monthly	\$1.7702	\$2.2127	\$0.4425
<i>Unannexed property (surplus water only)</i>	multiplier times annexed rate, applied to service charge and commodity charge	3	3	-----

# **ATTACHMENT 1**

## **Water Shortage Rate Structure**

**Citrus Heights Water District  
Water Shortage Rate Structure (2015) (1)**

	<b>Stage 1 Normal Supply</b>	<b>Stage 2 Water Alert</b>	<b>Stage 3 Water Warning</b>	<b>Stage 4 Water Crisis</b>	<b>Stage 5 Water Emergency</b>	<b>USBR Health &amp; Safety Std.</b>
Use Reduction Goals -->	None	5% to 10%	11% to 25%	26% to 50%	Over 50%	Over 75%
<b>Bi-Monthly Service Charges (2)</b>						
<i>Domestic, Commercial &amp; Irrigation Meters</i>						
3/4" meter	\$ 36.89	\$ 36.89	\$ 36.89	\$ 36.89	\$ 36.89	\$ 36.89
1" meter	\$ 56.13	\$ 56.13	\$ 56.13	\$ 56.13	\$ 56.13	\$ 56.13
1 1/2" meter	\$ 68.95	\$ 68.95	\$ 68.95	\$ 68.95	\$ 68.95	\$ 68.95
2" meter	\$ 133.08	\$ 133.08	\$ 133.08	\$ 133.08	\$ 133.08	\$ 133.08
3" meter	\$ 210.03	\$ 210.03	\$ 210.03	\$ 210.03	\$ 210.03	\$ 210.03
4" meter	\$ 415.22	\$ 415.22	\$ 415.22	\$ 415.22	\$ 415.22	\$ 415.22
<i>Combination Meters</i>						
4" meter	\$ 133.08	\$ 133.08	\$ 133.08	\$ 133.08	\$ 133.08	\$ 133.08
6" meter	\$ 210.03	\$ 210.03	\$ 210.03	\$ 210.03	\$ 210.03	\$ 210.03
8" meter	\$ 415.22	\$ 415.22	\$ 415.22	\$ 415.22	\$ 415.22	\$ 415.22
10" meter	\$ 1,011.57	\$ 1,011.57	\$ 1,011.57	\$ 1,011.57	\$ 1,011.57	\$ 1,011.57
<b>Water Usage Charges (\$/CCF) (2)</b>						
Standard Water Usage Rate	\$ 0.7663	\$ 0.7663	\$ 0.7663	\$ 0.7663	\$ 0.7663	\$ 0.7663
<b>Water Shortage Charge (3)</b>						
			<b>10%</b>	<b>25%</b>	<b>40%</b>	<b>55%</b>
Sample Water Shortage Charges			\$ 0.0766	\$ 0.1916	\$ 0.3065	\$ 0.4215
Sample Aggregated Usage Rates			\$ 0.8429	\$ 0.9579	\$ 1.0728	\$ 1.1878
<b>Excess Use Charge (4) (5)</b>						
				<b>50%</b>	<b>150%</b>	<b>250%</b>
Sample Excess Use Charges				\$ 0.4790	\$ 1.6092	\$ 2.9695
Sample Aggr. Excess Use Rates				\$ 1.4369	\$ 2.6820	\$ 4.1573
<b>Excess Use Charge applies to usage above amounts shown (5)</b>						
			3/4" meter	26 CCF		
			1" meter	52 CCF		
			1 1/2" meter	156 CCF		
			2" meter	208 CCF		
			3" meter	416 CCF		
			4" meter & larger	832 CCF		

**Notes:**

- (1) This Table shows the water shortage charges and excess use charges applied to the proposed water rates for 2015. The percentages would be applied to any then-current water rates in future years.
- (2) No changes to the bi-monthly service charges are proposed during water shortages.
- (3) Water shortage charges are incremental increases in the standard water usage rate applied in Stages 3, 4 and 5, and with the Health and Safety limitation.
- (4) Excess use charges effectively create a higher-priced second tier, and would apply only in Stages 4 and 5, and with the Health and Safety limitation. The percentage is applied to the combined water usage and water shortage rate to create the second tier.
- (5) Excess use charge applies to bi-monthly usage in excess of amounts shown for each meter size.

## **ATTACHMENT 2**

### **Rate Stabilization Reserve Worksheet**

Rate Stabilization Reserve Drawdown

	Scenario 1		Scenario 2		Scenario 3	
	No Conservation No Drought	32% State Required Conservation No Drought Rate	32% State Required Conservation No Drought Rate	32% State Required Conservation with 25 % Rate Increase		
June - Dec 2015 (7 months)						
Anticipated 2015 Revenue (June - Dec)	\$ 3,411,439	\$ 3,411,439	\$ 3,411,439	\$ 3,411,439		
Anticipated Revenue at 32% Reduction in Use	-	-	2,319,778	2,899,723		
Net Income (Loss)	-	-	(1,091,660)	(511,716)		
Avoided SJWD Cost	-	-	291,622	291,622		
Amended conservation Budget Request	-	-	(146,000)	(146,000)		
Draw Down of Rate Stabilization Reserves	-	-	(946,038)	(366,094)		
Ending Rate Stabilization Balance	\$ 1,000,000	\$ 1,000,000	\$ 53,962	\$ 633,906		



# **ATTACHMENT 3**

## **Illustration of Rate Impact on Customer**

### Illustration of Rate Impact on Customer

Sample Household Domestic Meter Bi-Monthly Bill Scenario

	Current 2015 Rate	Proposed 2015 25% Water Shortage Rate with No Usage Reduction	Proposed 2015 25% Water Shortage Rate with 32% Usage Reduction
Size of Meter (in)	56.14	56.14	56.14
Average usage (units*)	30.65	38.32	26.05
Total Bi-monthly Bill	\$ 86.79	\$ 94.46	\$ 82.19
Change from Original Bill		8.8%	-5.3%
		\$ 7.66	\$ (4.60)

\*(1 unit = 748 gal)