



Indio Water Authority

Water Rate Structure Advisory Committee
Meeting 3
June 10

Today's Agenda

- Introductions
- Fixed vs. variable costs
- Rates
- Bill examples
- Variances/Adjustments
- Review upcoming meeting topics
- Questions
- Adjourn

Water budget assumptions:

Indoor water needs:

- The **number of residents** based on average census data
 - 4 people – Single Family Homes
 - 1.6 people – Senior Community Homes
 - 2.5 people – Multi-family
- **Average per person consumption** based on industry average
 - 60.1 gallons
 - 62.5 gallons per person per day

Fixed Revenue

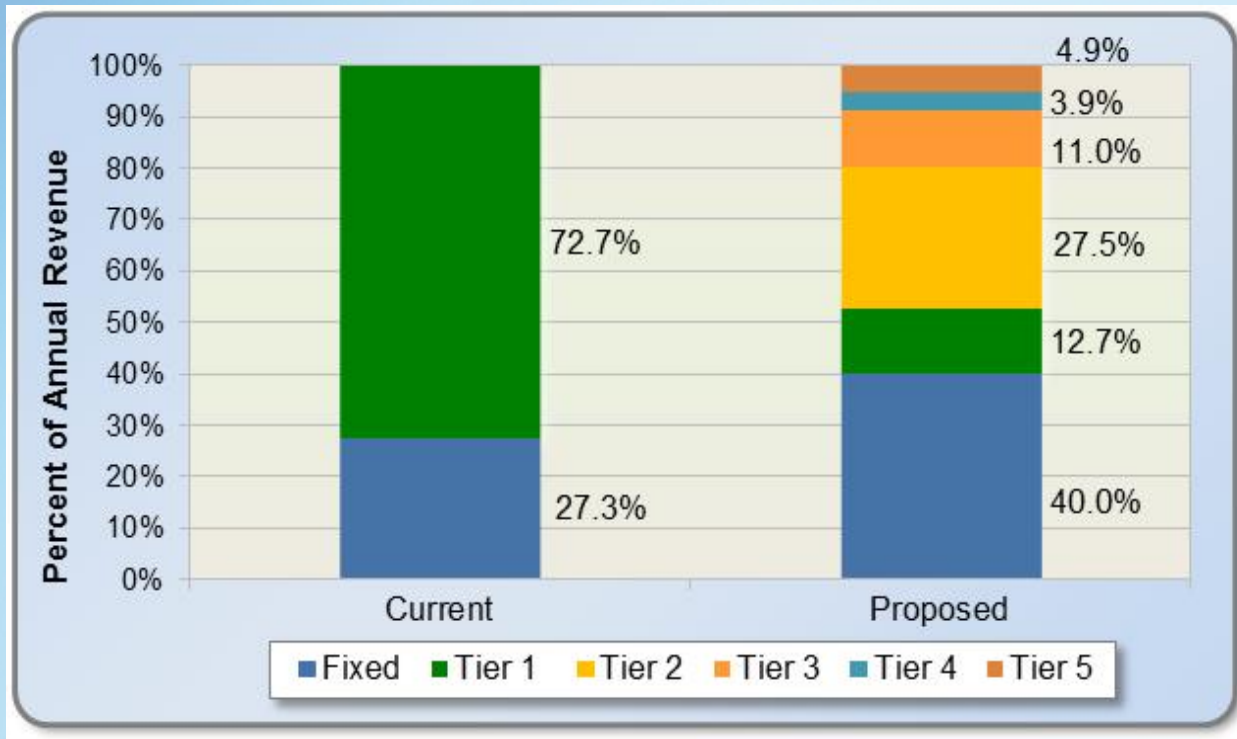
- Fixed revenue comes from a base charge that each customer pays monthly
- Charge is not dependent on the amount of water used by customer
- IWA uses these fees to fund system for debt service, internal service funds, communications, and regulatory costs.

Variable Revenue

- Variable revenue depends on the amount of water used by customers each month
- This pays for the water itself, and power required to deliver water and all other costs such as salaries & benefits, materials and repairs.

Revenue Composition

Total Revenue Composition by Tier



Draft Base Charges

Base Charge Schedules (all customer classes)

Meter Size	Fixed Fee Schedule	
	Current	Proposed
5/8" – 3/4"	\$9.24	\$15.55
1"	\$23.10	\$38.88
1 1/2"	\$46.20	\$77.77
2"	\$73.91	\$124.41
3"	\$138.59	\$233.28
4"	\$230.98	\$388.80
6"	\$461.95	\$777.57
8" – 12"	\$739.12	\$1,244.12

Draft Volume Rates

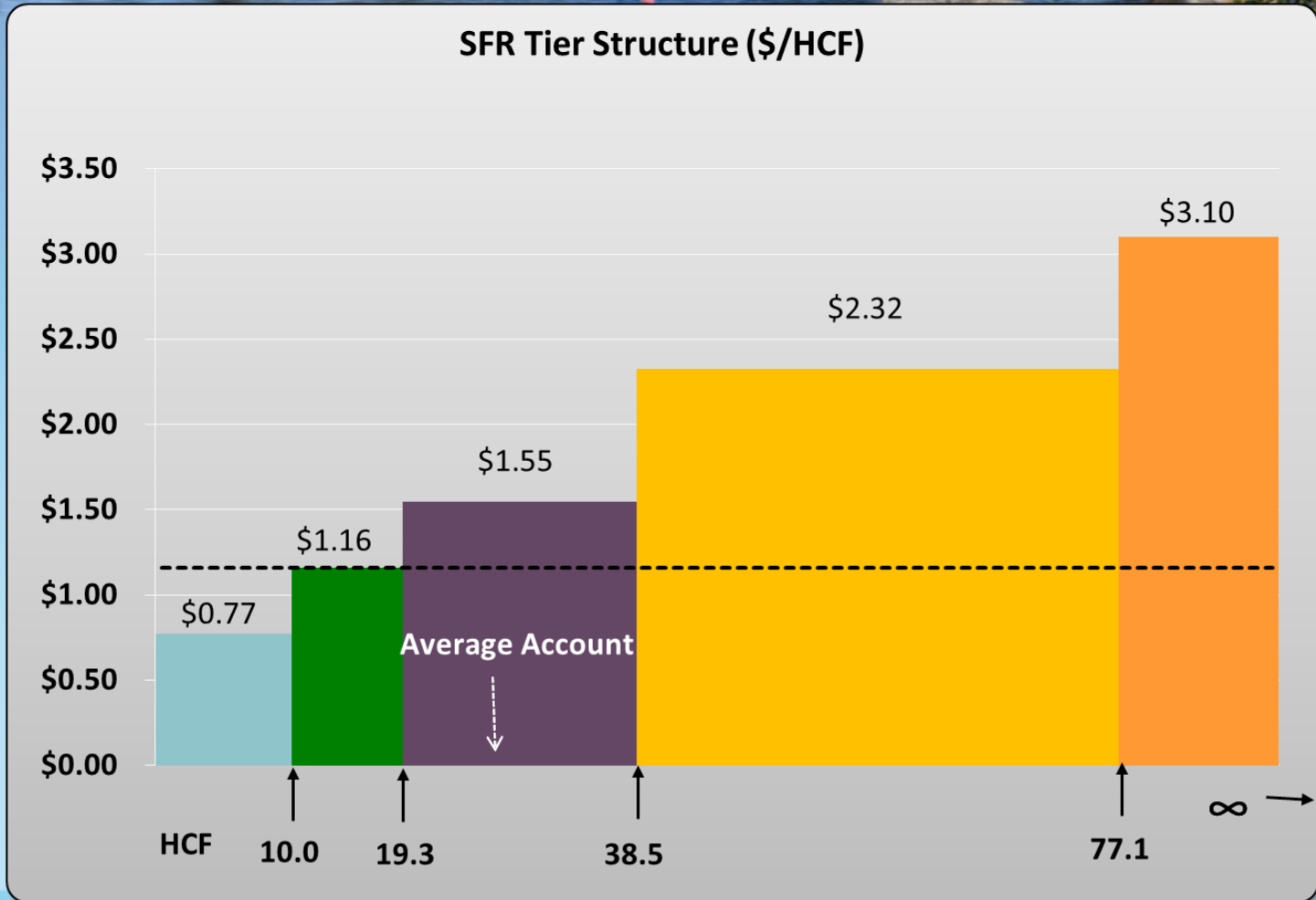
Proposed Volume Rates (in dollars)

Class	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Single Family Res.	0.77	1.16	1.55	2.32	3.10
Senior Comm. Res.	0.77	1.16	1.55	2.32	3.10
Multi-Family Res.	0.77	1.16	1.55	2.32	3.10
Commercial	0.86		1.55	2.32	3.10
Irrigation/Industrial	0.86		1.55	2.32	3.10
Special	0.86		1.55	2.32	3.10

Tier Price Ratios

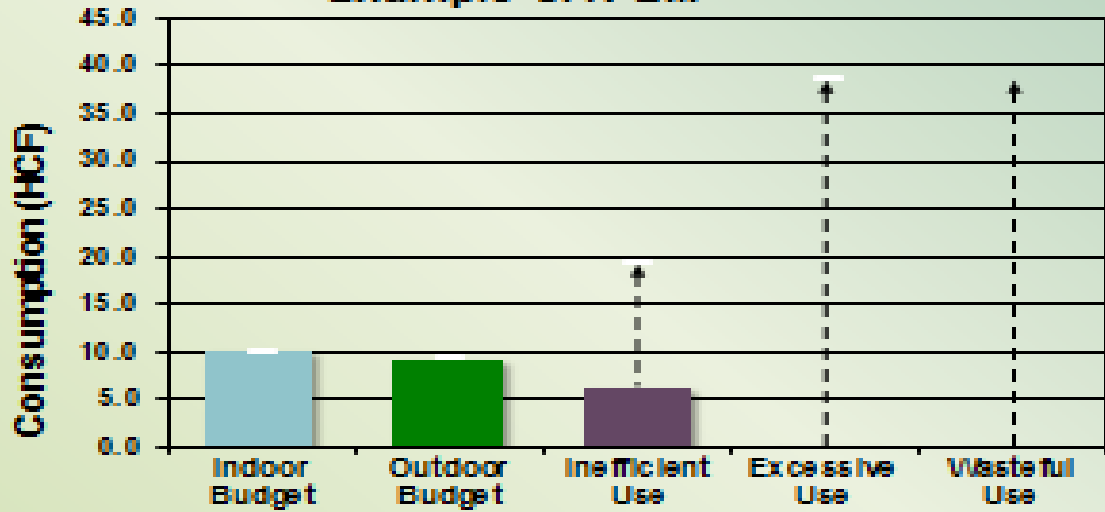
Tier	Residential	Commercial and Irrigation
1	1.00	1.23
2	1.50	
3	2.00	2.00
4	3.00	3.00
5	4.00	4.00

Draft Rates



Residential Example

Example SFR Bill

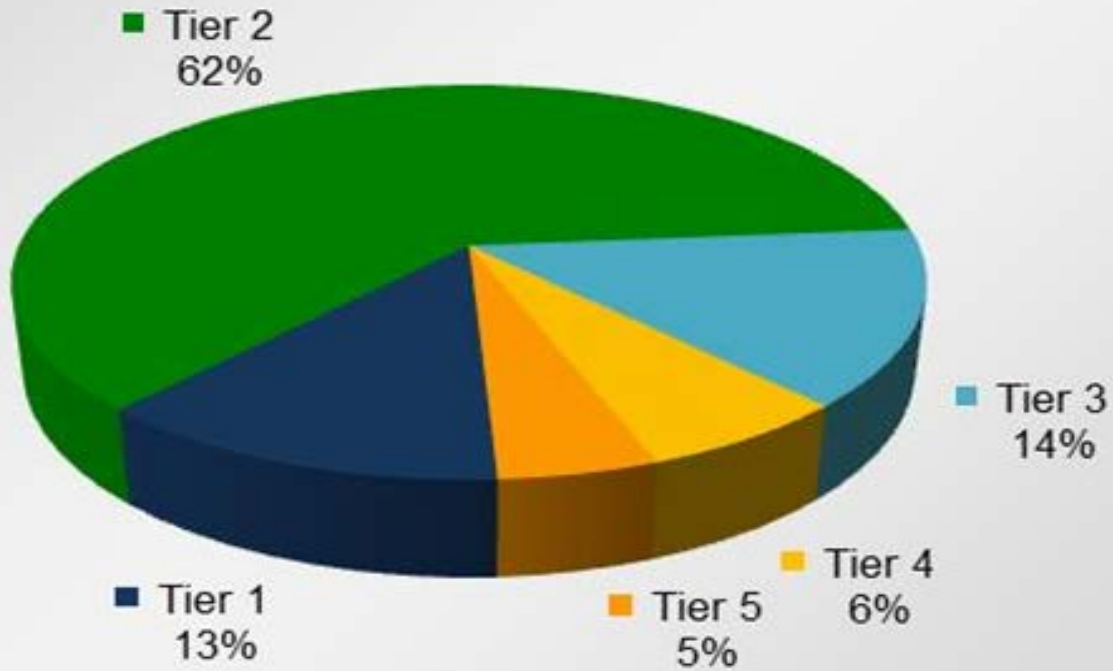


Assumptions:
 4 person household
 2600 sq. ft. parcel
 ET = 5.77 inches in April
 Consumption = 26 HCF

	Incremental Consumption (HCF)	Incremental Rate	Bill by Tier
Tier 1 (Indoor Budget)	10.0	\$0.77	\$7.70
Tier 2 (Outdoor Budget)	9.0	1.16	10.44
Tier 3 (Inefficient Use)	6.0	1.54	9.27
Tier 4 (Excessive Use)	0.0	2.32	0.00
Tier 5 (Wasteful Use)	0.0	3.09	0.00
Total	25.7		\$27.41
Fixed Monthly Charge (3/4" Meter)			\$15.55
Total Monthly Bill			\$42.96

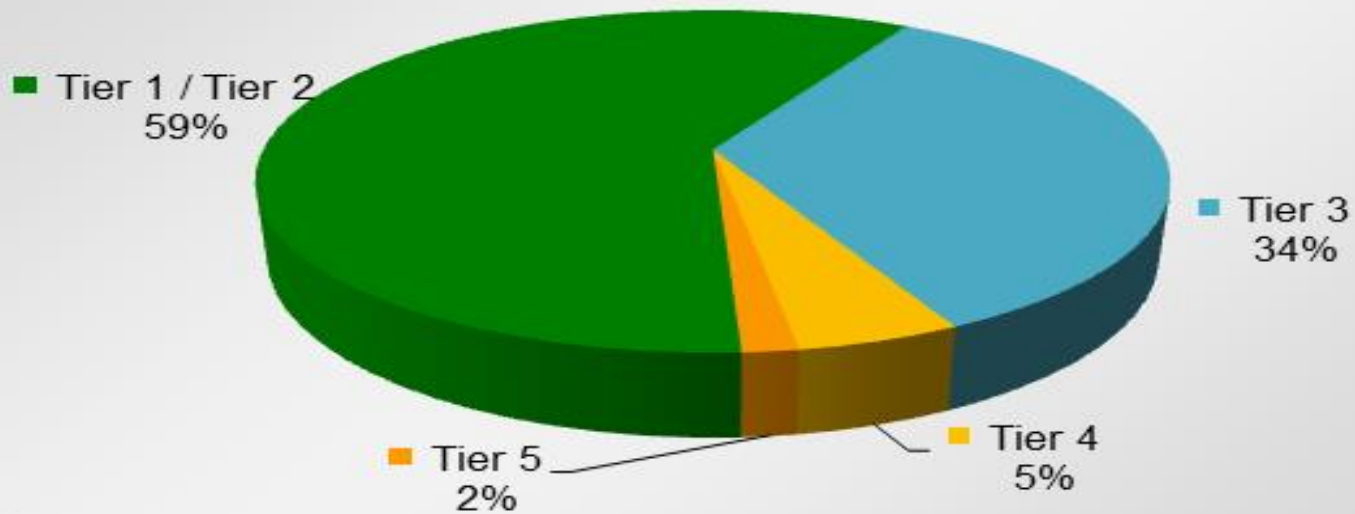
MFR: Final Tier Bills Composition

MFR Bill Final Tier



CII: Final Tier Bills Composition

CII Bill Final Tier



Commercial Example

Assumptions:

92 units within budget = \$0.86 volume rate

2 inch meter (most common size for CII accounts

		Current		Draft Rates	
Volumetric Fee	(92 units x 1.16)	106.72		(92 units x .86)	79.12
Fixed Fee (Base)		73.91			124.21
		\$ 180.63			\$ 203.33

\$ Change	% Change
\$ 22.70	12.6%

Variations/Adjustments

- A variance allows customers to request modifications to their water budget based on special circumstances
- It grants customers expanded Tier 1 (indoor) or Tier 2 (outdoor) allowances
- Customers still pay for the additional water used

Variance Examples

- Medical needs
- Additional residents
- Home business
- Pool emptying
- Large animals
- Landscape area alteration
- Gardening allowance

Variance: First Thoughts

- What circumstances should customers get a variance for?
- What variances should *not* be allowed?
- How much documentation should be required?

HOMEWORK: Take the forms and policies home to review. We will discuss at the June 24 meeting.

Upcoming Committee Meetings

June 24th at 9:00 AM

Variance review & outreach





QUESTIONS?