

Indio Water Authority

Committee Meeting 1
April 29

Today's Agenda

- Introductions
- Overview of Indio Water Authority
- Background on Rate Structure Alternatives
- Rate Structure Recommendations
- Review Upcoming Meeting Topics
- Questions
- Adjourn

Meet our Team

- Debra Kaye, General Manager
- Scott Trujillo, Management Analyst
- Karla Campos, Sr. Accountant
- Mark Hildebrand, Red Oak Consulting
- Alex Altman, CV Strategies
- Ashley Hudgens, CV Strategies

Water Rate Structure Advisory Committee

- Anthony De Alwis
- Adolfo Chavez
- Richard Friestad
- Alan Harrell
- Clifton Lamb
- Chris Meagher
- Rosemary Mindiola
- Robert Quick

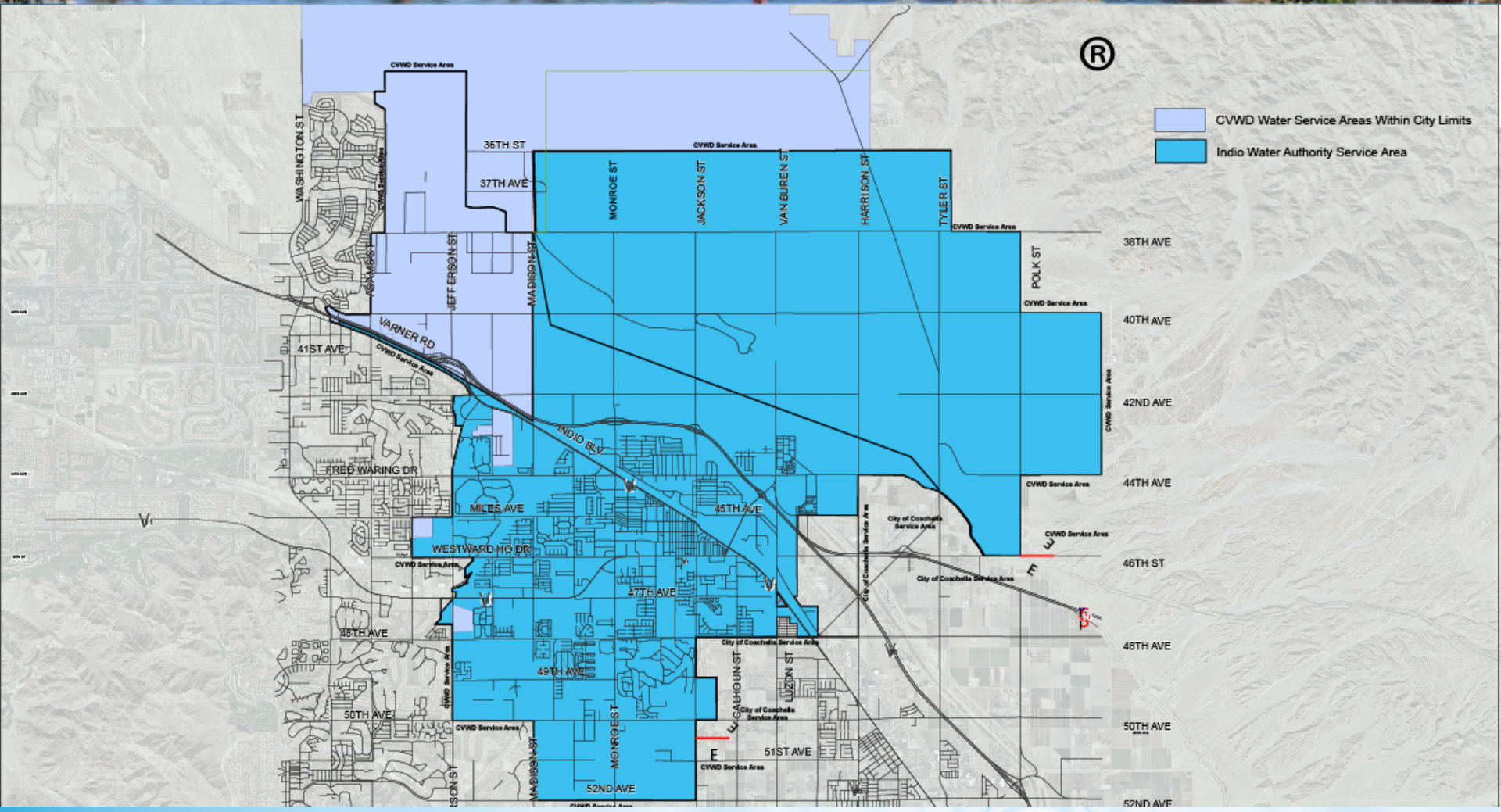
Agency Information

- Not-for-profit water agency
- Formed in 2000
- Local high-quality water supplies
- Over 75,000 customers
 - Residential, business, municipal
 - 60 square mile service area

Your Water, Our Responsibility

- Natural aquifer
- 20 wells
- 6 reservoirs
- 3,379 fire hydrants
- Hundreds of miles of water mains

Service Area Map



Governance

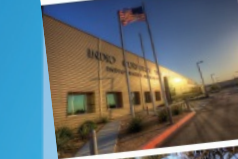
City Council serves as the Board of Directors
Meetings held monthly, open to the public

- President Elaine Holmes
- Vice President Michael Wilson
- Commissioner Sam Torres
- Commissioner Glenn Miller
- Commissioner Lupe Ramos-Watson

Our values

- Reliability
- Quality
- Sustainability
- Affordability

Reaching Out



INDIO WATER AUTHORITY
83101 AVENUE 45 • INDIO, CALIFORNIA 92201
760-625-1860 • FAX 760-391-6433 • WWW.INDIO.ORG

FOR IMMEDIATE RELEASE

Media Contact:
Alex Altman
760-776-1766 office
760-333-5166 cell

Indio Water Authority's Lost Horse Reservoir Operational
IWA customers will benefit from increased capacity, emergency supply, and reduced pumping costs

Indio, Calif., (January 13, 2011) – Indio Water Authority (IWA) has taken a critical step forward in its commitment to the provision of a safe, clean, and reliable supply of water with the completion of its Lost Horse Reservoir and Pipeline Project. The new reservoir's 5 million gallon storage capacity covers a full 25 percent of the 20 million gallons IWA customers use every day, dramatically increasing the water authority's operational capacity. But the reservoir's most significant benefits are a dramatic reduction in the consumption and cost of electricity used to pump water through the system, and a powerful tool that can provide water to IWA customers in the event that catastrophic emergency knocks out power.

"Indio Water Authority is continually improving the strategies and technologies we employ to prepare for and deal with natural disasters," says Debra Kaye, general manager of IWA. "In addition to increasing our system capacity, the Lost Horse Reservoir and pipeline gives IWA a way to distribute water to our customers even when we have no power to the system."

Because of its location, the \$7 million Lost Horse project – which came in significantly under budget – uses gravity to feed its water into the IWA system. The result is that, in the event that an emergency scenario such as an earthquake takes out the local power supply, the IWA water system would still continue to function, even if the authority was unable to acquire fuel to power its backup generators.

Using Lost Horse's gravity fed line during the course of regular operations will also help reduce IWA's electricity consumption, says Kaye. "Even as efficient as we are, the energy costs required to run our system are substantial, and we know that those costs will only rise in the years to come," she says. "Using the gravity fed line from Lost Horse will significantly reduce our pumping costs, and increase the energy efficiency of our entire system."

"The completion of this project is a very proud time for us," says Lupe Ramos Watson, president of Indio Water Authority and mayor of Indio. "Lost Horse is a symbol of our continuing commitment to providing our citizens with safe, clean water, even in the most extreme circumstances, and doing so as efficiently as possible."

For more information about Indio Water Authority, call (760) 391-4038 or visit www.indio.org.

About Indio Water Authority
Indio Water Authority was formed in 2000 to deliver water to the City of Indio. Its mission is to provide the City's residents, visitors and businesses with safe and reliable water, while ensuring the long-term viability of the City's water services for its users. In 2008, the Indio Water Authority supplied 8.2 million gallons (34.17 acre-feet) of water to the 13,000 businesses and residents in its 28 square mile service area.



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MARCH/APRIL
2013



April 6th – Information on page 3.

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APRIL FOOLS LUNCH PARTY!!!!
NO FOOLING!!!!
Monday, April 1, 2013
12:00 noon
(normal lunch donation required)

ISC would greatly appreciate
any additional \$5 donation to offset the cost
of the party.

Deadline for sign-ups Thursday, March 28, 2013
Limited to 90 people
Sign up at the front desk.

May 4th – Information on page 11

BANQUET
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ISC Pool tournament
Thursday March 14th
9 AM – 2 PM
\$5 entry fee
Must sign up at the front
desk by Monday, March
11th.

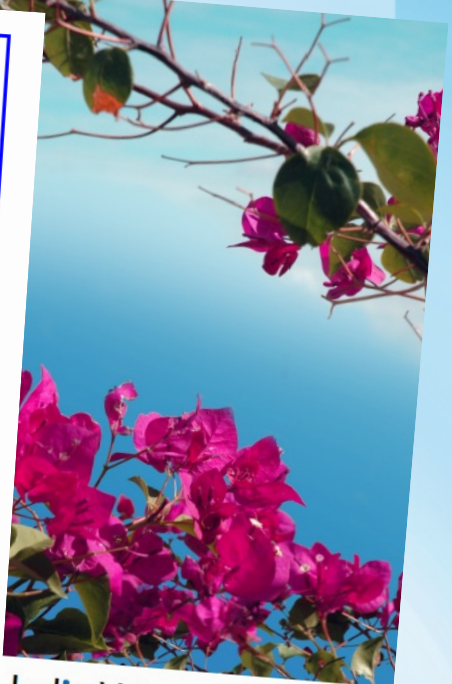
9-ball tournament, double elimination.
Contact Rick in the pool room if you have
any questions.

Please be here by 9 am. If you arrive after
9:30 am you will not be permitted to play.

If you would like to have lunch at Noon,
please sign up separately at the front
desk.

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Answer to question found elsewhere in
the newsletter: SENIOR



Need to Conserve

- Meet state regulatory requirement to conserve 20% more water by 2020
- Keep water reserves at suitable levels for emergency situations
- Ensure the quality of aquifer water to avoid overdraft (Coachella Valley Integrated Water Management Plan)

Why a new rate structure?

A new rate structure:

- Protects against financial instability
- Avoids potential infrastructure failures
- Encourages efficient water use
- Treats customers fairly
- In line with industry best practice

Why now?

- No rate increases in recent years
- Last increase approved in 2006
- Must continue to fund rising operation, maintenance, and replacement costs
- Regulatory requirements on the horizon

Financial Overview

- Approximately \$17 million annual budget
- 93% of revenue comes from water sales
- Agency at a crossroads on how to move forward

Financial instability or rate structure change

What has been done so far?

- Independent third-party analysis
- Reviewed and Researched:
 - Cost of service
 - Infrastructure needs
 - Operation costs
 - Fairness of existing rate structure
- Established committee

Committee formed from Community

2 MYDESERT • FRIDAY, APRIL 12, 2013

Indio Water Authority
Your Water, Our Responsibility.

Water Rate Structure Advisory Committee

Indio Water Authority (IWA) is considering implementation of a new water rate structure. IWA is seeking customer input and is looking for community members to join our Water Rate Structure Advisory Committee. The committee will help guide IWA in its search for a new water rate structure that is fair and rewards efficiency, and will meet three to four times over the course of the next several months.

Please consider applying for the committee; IWA is eager to incorporate customer feedback into our decisions on a new water rate structure. Applications are due by 5 p.m. Monday, April 15, 2013.

Committee Responsibilities:

- Study the final report on water rate structures and long range financial plan
- Give input for community outreach meeting messages and logistics
- Review options for rate structures and make recommendations to staff and the IWA board
- Examine existing draft rate variance policy and the IWA board

Return hardcopy via mail or in person:
Indio Water Authority, 83-101 Avenue 45, Indio, CA 92201
Complete and return via web: www.iwarates.com

FOR IMMEDIATE RELEASE

Media Contact:
Ashley Hudgens
760-902-5565

Indio Seeks Community Input on Water Rates
Advisory Committee to Offer Guidance to Indio Water Authority on Rate Structure

Indio, Calif., (April 1, 2013) – Indio Water Authority (IWA) is evaluating new rate structures and in order to incorporate community input is assembling a diverse group to act as a Water Rate Structure Advisory Committee. The committee will make recommendations to staff and the IWA Board of Directors regarding water rate structure options, and community outreach methods.

"Indio Water Authority has been looking to transition to a new rate structure in line with industry best practices that rewards efficiency, keeps rates as low as possible, and allows for responsible management of our infrastructure and organization," says Debra Kaye, general manager of IWA.

Indio Water Authority is looking to its customers to form a diverse group that will help guide the decision-making process. The group will review the recently conducted study on water rate structures and long-range financial planning; give input for community outreach meeting messaging and logistics; review options for rate structures and make recommendations to staff and the IWA board; and examine existing draft rate variance policies.

The new committee members will be announced in mid-April and will meet three or four times in the next several months. The meetings will vary in length, and will provide information on the need for a new rate structure, impacts on the water authority without any rate changes, different rate structure options, and what the changes could mean for ratepayers. The committee will give IWA staff and board input before the IWA board votes on a new structure.

Those who are interested in participating can go online to www.indiowater.org/WRSACapplication, or go to the Indio Corporate Yard at 83-101 Avenue 45, Indio 92201. Applications are due by the 5 p.m. Monday, April 15, 2013.

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About Indio Water Authority
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Indio Seeks Community Input on its Water Resources

Indio Seeks Community Input on its Water Rate Structure

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Importance of Public Committees

- Maximize community awareness
 - Drives public participation
- Assemble a representative group of local stakeholders
 - Gives the community a voice
- Educate committee members about water operations and related rate challenges
 - Helps them make informed recommendations
- Learn messaging and operational lessons from committee recommendations
 - Share findings with board, staff and community

Importance of WRSAC

- Community involvement - *not in a silo*
- Input on rate structures - *options, variances*
- Outreach advice - *who, where, when, how*

Long-range Financial Plan

New long-range financial plan examines:

- All revenue sources (rates included)
- Use of funds
- Capital improvement needs
- Reserves
- Debt
- Policies

Water Rate Structures



Flat



**Declining
Block**



Uniform



Seasonal



**Inclining
Block**



**Budget /
Individualized**

Less

Conservation-Efficiency

More

Budget-tiered Rates

Based on Red Oak's recommendations IWA is looking at Budget-tiered Rates.

- Industry best practice
- Fair to customers
- Encourage conservation
- Keep agency financially stable

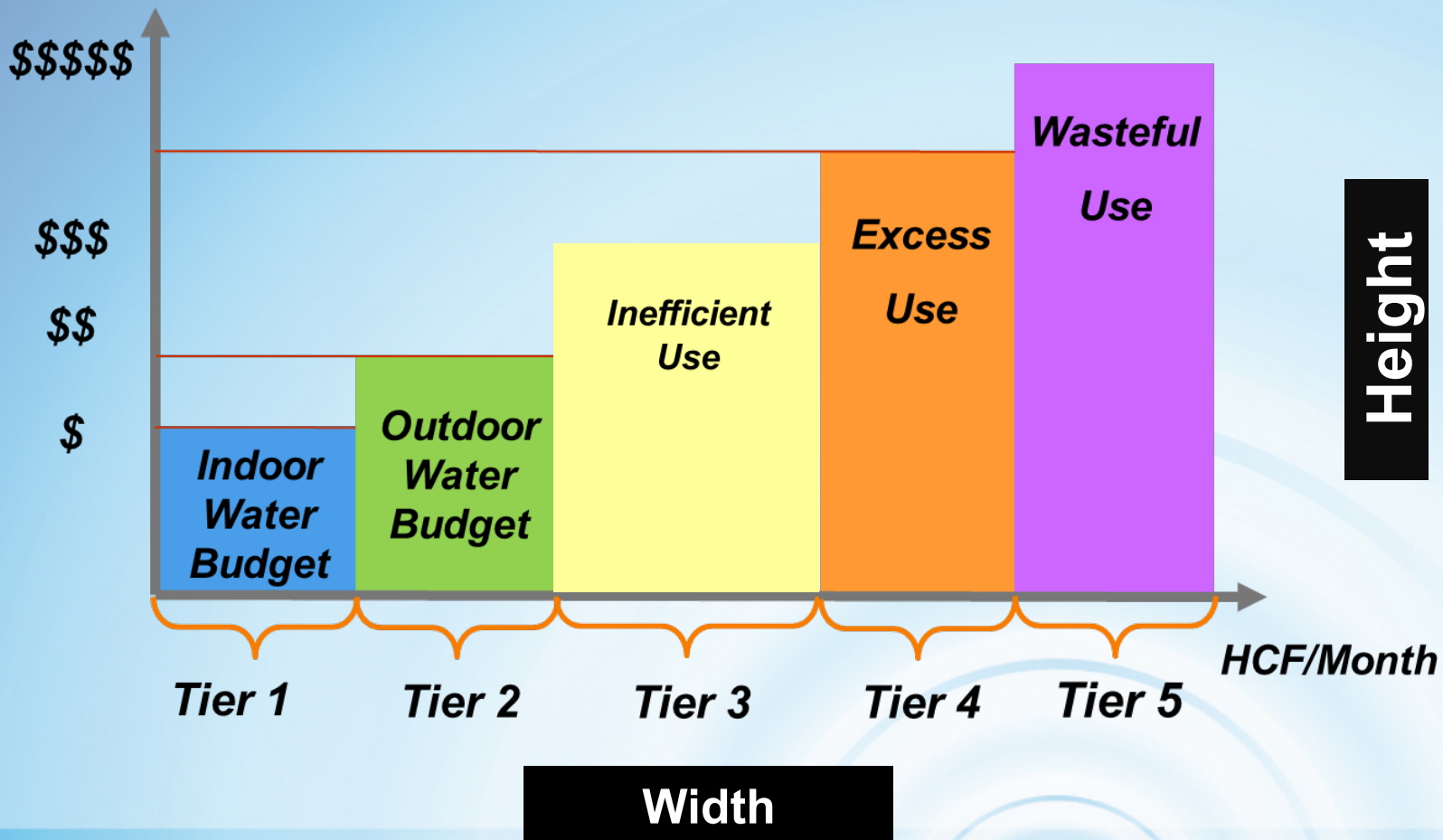
Budget-tiered Rate Concept

- Indoor Water Needs
 - ❖ Per person allowance (based on industry standards)
 - ❖ Number of residents
- Outdoor Water Needs
 - ❖ Landscape Area
 - ❖ Plant Factor
 - ❖ Evapotranspiration (ET)
 - ❖ Irrigation Efficiency

Budget =

Daily Indoor Water Need & Daily Outdoor Water Need X Days Per Month

Tiers



Committee Meetings

May 20th at 9:00AM

Review Rate Structure Design

June 10th at 9:00 AM

Variances

June 24th at 9:00 AM

Outreach





QUESTIONS?