



California
Urban Water
Conservation
Council

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State Water Resources Control Board Water Rate Workshop

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Institute/CUWCC Board Chair**

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Collective Interests of Groups 1 and 2

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Rate
Setting

- Water efficiency
- Water sustainability and role of utility as water steward
- Financial stability and risk reduction
- Equity
- Affordability
- Legal compliance
- Integration across the utility (e.g., conservation, finance, senior management)

CUWCC

BMP 1.4

- Saves water
- Robust standard/best practice
- Flexible/multiple options
- Recognizes complexities of rate setting
- Recognizes diverse membership
- Recognizes progress
- Process not too fast/slow
- Perfection not possible

- Member participation and growth
- Participation from non-Council members
- Maintain value/relevancy
- Educate about process and outcome
- Means to track implementation

Retail Conservation Pricing Matrix

Section 1.0 - Retail Water Rate Structure (Max. 20)										
	% of Water Delivered		Uniform	Two Tiers/ Seasonal				Three or More Tiers/Allocation		
SFR			1	3				5		
MFR			1	3				5		
CII			1	3				5		
Dedicated Irrigation			1	3				5		
Section 2.0 – Single-Family Residential Proportionality Test (Max. 23)										
Score	1.2 - 1.29	1.3 - 1.39	1.4 - 1.49	1.5 - 1.59	1.6 - 1.69	1.7 - 1.79	1.8 - 1.89	1.90 - 1.99	2.0 - 2.09	≥2.1
Points	4	6	8	10	12	14	16	18	20	23

Section 2: SFR Proportionality

Score	1.2 - 1.29	1.3 - 1.39	1.4 - 1.49	1.5 - 1.59	1.6 - 1.69	1.7 - 1.79	1.8 - 1.89	1.90 - 1.99	2.0 - 2.09	≥2.1
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1. Average volume of water used by customer

2. Bill for customer using 150% of average water volume

3. Bill for customer using 75% of average water volume

100 CF

\$80.00

\$50.00

Proportionality Score = $\frac{\$80.00}{\$50.00} = 1.6$

$= 12 \text{ points}$

Section 3.0 - Retail Conservation Pricing Enhancements (16 Points Max)

3.1 Billing			Points
3.1.1	Billing frequency	Utility provides monthly billing for one or more customer classes.	1
3.1.2	Bill format	Water bill (whether paper or electronic) displays water use in gallons or gallons per day (gpd) for at least all single-family residential customers.	1
3.2 Metering			
3.2.1	Dedicated irrigation meters	At least 50% of irrigated landscapes greater than or equal to 1 acre in size are supplied by dedicated irrigation meters	1
3.2.2	Submetering	Utility requires individual meters or submeters (in lieu of master-metered accounts) as a condition of service on new MF and/or CII accounts meeting equivalent service conditions (e.g. < four stories in height).	1
3.2.3	AMR/AMI	Utility has access to AMR/AMI administrative tools to track use and prioritize conservation messaging.	1
3.2.4		Utility uses an AMR/AMI system to provide customers with alerts for possible high use, leaks, and/or consumption approaching the next tier.	1
3.2.5		Utility uses an AMR/AMI to provide customers with regular access (e.g., web or smart phone) to near real-time water use data.	1
3.3 Communications			
3.3.1	Advance notification	Utility provides notification to customer about water use anomalies, e.g., possible high use or leaks, in advance of sending a bill (excluding AMI).	1
3.3.2	Website tools	Utility provides customer access to account information, billing histories, water use, allocations, or direct links to conservation services via a web portal (excluding AMI).	1
3.3.3	Use histories	Utility provides information on water use trends to the customer via water bill or other printed means.	1
3.3.4	Benchmarking	Utility provides information to customers that compare their water use to a standard or benchmark (excluding AMI).	1
3.3.5		Utility provides reports to customers that compare their water use to others (excluding AMI).	1
3.4 Innovations			
3.4.1	Rate structure	Utility is implementing an innovative rate structure to promote efficiency, such as budget- or consumption-based charges (excludes allocation and tiered rates) covered in Section 1).	1
3.4.2	Fees & credits	Utility's water system capacity or connection fee structure incentivizes the installation of indoor and outdoor water efficient equipment and measures (including recycled water and onsite reuse).	1
3.4.3	Drought/shortage response	Utility has adopted a surcharge or other pricing mechanism to support drought and supply shortage reductions.	1
3.4.4	Revenue streams	Water rates provide at least 90% of the revenue for the water system.	1

- ❑ **The calculations are simple, and the math is straightforward.**
- ❑ It is flexible, with a lot of options for improvement rather than one pass-fail calculation, e.g., 70/30.
- ❑ **It is forward looking, applying to rates and practices that are adopted, rather than revenues received.**
- ❑ Agency performance is not subject to external forces, such as drought or the economy.
- ❑ **It is more comprehensive and therefore does a better job in capturing the intent of the BMP.**

Thank you!

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