

NOTICE OF PUBLIC HEARING

PROPOSED RATE CHANGES TO POTABLE WATER, RECYCLED WATER AND SANITATION SERVICE RATES

December 15, 2020

Dear Customer,

In compliance with Proposition 218, the Board of Directors of Las Virgenes Municipal Water District (LVMWD or District) will hold a virtual public hearing on Tuesday, February 2, 2021 to consider proposed potable water, recycled water and sanitation rate changes for the next five years. To participate, please join us virtually by following the instructions below.

The District is entirely dependent upon imported potable water supplied by the Metropolitan Water District of Southern California (MWD); currently, there are no local potable water sources. The proposed rates include MWD adopted increases in water rates to its member agencies that will be effective in January 2021. There are also undetermined MWD increases expected in 2022 through 2025 that LVMWD intends to "pass through" in conformance with Government Code Section 53756. These increases cover the escalating costs of water distribution, water treatment, and the repair and replacement of aging MWD infrastructure. Sixty percent of LVMWD's annual operating budget is for the purchase of water from MWD.

In addition, the District is proposing to increase its rates to meet the ongoing costs of providing safe, reliable water and sanitation services to the community. The increases are needed to:

1. Meet current and projected costs of operating and maintaining the potable water, recycled water and sanitation systems.
2. Construct, repair, replace and upgrade the existing potable water, recycled water and sanitation systems.
3. Comply with existing and new regulatory requirements.

The proposed rate adjustments do not modify the current water-budget based rate structure for residential customers. Commercial customer's budgets are proposed to be modified to a three-tier structure based on the average usage from the previous two years. There are no proposed changes to the rate structure for recycled water or sanitation.

You received this notice because you are a property owner or tenant directly responsible for the payment of services provided by the District. You may submit a written protest to the proposed rate increases; however, only one protest will be counted per identified parcel. Two community meetings will be held prior to the public hearing (see details on back).

If you have any questions or comments regarding LVMWD's proposed rate adjustments, you may contact me at generalmanager@lvmwd.com; or by telephone at (818) 251-2200; or by mail to General Manager, LVMWD, 4232 Las Virgenes Road, Calabasas, CA 91302.

Sincerely,



David W. Pedersen
General Manager

PUBLIC HEARING

FEBRUARY 2, 2021, 9:00 A.M.

[HTTPS://ZOOM.US/J/96850947050?pwd=UYTSUY9LDTY4S045SLQ2NMNTb0NVZz09](https://zoom.us/j/96850947050?pwd=UYTSUY9LDTY4S045SLQ2NMNTb0NVZz09)

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US: +16699006833,,96850947050# OR +12532158782,,96850947050#

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US: +1 669 900 6833 OR +1 253 215 8782 OR +1 346 248 7799 OR +1 312 626 6799 OR +1 929 205 6099 OR +1 301 715 8592

WEBINAR ID: 968 5094 7050

INTERNATIONAL NUMBERS AVAILABLE: [HTTPS://ZOOM.US/U/AB0CSLESFB](https://zoom.us/j/96850947050)

POTABLE AND RECYCLED WATER RATE STRUCTURE

There are six classes of potable and recycled water customers: single-family residential, multi-family residential, potable water irrigation, recycled water irrigation, commercial and temporary water service.

The structure has three components:

1. "Readiness to serve charge," which is a fixed monthly service charge — depending on the size of the meter — to cover a significant portion of the District's fixed costs such as meter maintenance and replacement, meter reading, billing and customer service.
2. "Commodity charge," which is a volumetric charge per unit of water used.
3. "Elevation charge," which applies in certain areas of the District to cover the cost of pumping water to higher elevations.

Every month, each customer is billed on a "water budget" reflecting a reasonable amount of water based on their individual needs and current weather data.

Single- and multi-family residential: Residential water budgets consist of indoor and outdoor components and, if necessary, special needs.

Indoor water budgets are calculated using three factors:

- 55 gallons per person per day per California Water Code Section 10608.20
- Number of people in the household
- Number of days in the billing cycle

The indoor water budget for multi-family customers is calculated by multiplying the average occupancy by the number of dwelling units served by one meter.

Outdoor water budgets are calculated using three factors:

- Amount of irrigated area
- Actual daily plant water loss or "evapotranspiration" (ET_o)
- ET_o adjustment factor (0.80 for existing landscapes and 0.55 for new landscapes per the CA Model Water Efficient Landscape Ordinance)

Special Needs: An additional monthly allocation may be designated for:

- Medical needs
- Licensed day care facilities
- Large farm animals (horses, llamas, alpacas)

Potable and recycled water irrigation: Individualized water budgets are calculated using three factors:

- Amount of irrigated area
- Actual daily plant water loss or "evapotranspiration" (ET_o)
- ET_o adjustment factor (0.80 for existing landscapes, 0.55 for new landscapes and 1.0 for high traffic public areas)

Commercial: Water budgets are proposed to be calculated using a two-year rolling average of each customer's monthly water use, compared to the current 90% of a three-year rolling average.

WATER BUDGET TIERS

Tier descriptions for the various customer classes are shown in the tables below. Tier sizes under water budgets vary depending upon customer-specific needs.

SINGLE / MULTI-FAMILY RESIDENTIAL		
TIER	TIER NAME	DESCRIPTION
Tier 1	Efficient Indoor	Indoor Water Budget
Tier 2	Efficient Outdoor	Outdoor Water Budget
Tier 3	Inefficient	Over 100% to 150% of Total Water Budget ¹
Tier 4	Excessive	Over 150% of Total Water Budget

¹ Total Water Budget = Efficient Indoor + Efficient Outdoor

COMMERCIAL	
TIER	DESCRIPTION
Tier 1	100% of Water Budget ⁽¹⁾
Tier 2	Over 100% to 150% of Total Water Budget
Tier 3	Over 150% of Total Water Budget

⁽¹⁾ Water Budget = 100% of two-year rolling average

POTABLE / RECYCLED WATER IRRIGATION		
TIER	TIER NAME	DESCRIPTION
Tier 1	Efficient Outdoor	Water Budget
Tier 2	Inefficient	Over 100% to 150% of Water Budget
Tier 3	Excessive	Over 150% of Water Budget

RATE TABLES

The following tables compare the current and proposed rates.

POTABLE WATER - READINESS TO SERVE CHARGE (MONTHLY)

	Current	3/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
3/4"	\$33.72	\$35.86	\$37.66	\$39.55	\$41.53	\$43.61
3/4" x 1"	\$33.72	\$35.86	\$37.66	\$39.55	\$41.53	\$43.61
1"	\$54.97	\$58.14	\$61.05	\$64.11	\$67.32	\$70.69
1-1/2"	\$108.07	\$113.82	\$119.52	\$125.50	\$131.78	\$138.37
2"	\$171.80	\$180.66	\$189.70	\$199.19	\$209.15	\$219.61
3"	\$373.61	\$392.27	\$411.89	\$432.49	\$454.12	\$476.83
4"	\$671.00	\$704.12	\$739.33	\$776.30	\$815.12	\$855.88
6"	\$1,701.28	\$1,784.47	\$1,873.70	\$1,967.39	\$2,065.76	\$2,169.05
8"	\$2,975.84	\$3,120.98	\$3,277.03	\$3,440.89	\$3,612.94	\$3,793.59
10"	\$4,462.83	\$4,680.25	\$4,914.27	\$5,159.99	\$5,417.99	\$5,688.89

Readiness to serve charge for a temporary meter is 1.5 times the charge above.

Potable Water - Commodity Charge (\$/HCF) All charges are \$/hcf; hcf is hundred cubic feet = 748 gallons = one billing unit.

	Current	3/1/2021 ^[1]	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Residential Tier 1 - Indoor Efficient	\$2.85	\$3.14	\$3.30	\$3.47	\$3.65	\$3.84
Residential Tier 2 - Outdoor Efficient	\$3.50	\$3.91	\$4.11	\$4.32	\$4.54	\$4.77
Residential Tier 3 - Inefficient	\$4.20	\$4.58	\$4.81	\$5.06	\$5.32	\$5.59
Residential Tier 4 - Excessive	\$5.22	\$5.74	\$6.03	\$6.34	\$6.66	\$7.00
Temporary Services	\$7.83	\$8.53	\$8.96	\$9.41	\$9.89	\$10.39
Commercial Tier 1 – Efficient	N/A	\$3.66	\$3.85	\$4.05	\$4.26	\$4.48
Commercial Tier 2 – Inefficient	N/A	\$4.20	\$4.41	\$4.64	\$4.88	\$5.13
Commercial Tier 3 – Excessive	N/A	\$6.43	\$6.75	\$7.09	\$7.45	\$7.83

[1] 2021 includes pass through adjustment. For 2022-2025, similar pass through adjustments will be applied when the actual amounts are determined.

Potable Water Elevation Charges (\$/HCF)

	Current	3/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Zone 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Zone 2	\$0.52	\$0.47	\$0.50	\$0.53	\$0.56	\$0.59
Zone 3	\$1.19	\$1.10	\$1.16	\$1.22	\$1.29	\$1.36
Zone 4	\$1.82	\$1.80	\$1.89	\$1.99	\$2.09	\$2.20

Elevation charge for a temporary meter is 1.5 times the zone charge.

The elevation charge is determined by the highest zone that water is pumped prior to reaching the customer.

Potable Water - Irrigation Customer Charge (\$/HCF)

	Current	3/1/2021 ^[1]	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Tier 1 - Efficient	\$2.85	\$3.91	\$4.11	\$4.32	\$4.54	\$4.77
Tier 2 - Inefficient	\$3.50	\$4.58	\$4.81	\$5.06	\$5.32	\$5.59
Tier 3 - Excessive	\$4.20	\$5.74	\$6.03	\$6.34	\$6.66	\$7.00

[1] 2021 includes pass through adjustment. For 2022-2025, similar pass through adjustments will be applied when the actual amounts are determined.

RATE TABLES *(continued)*

RECYCLED WATER - READINESS TO SERVE CHARGE (MONTHLY)

	Current	3/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
3/4"	\$33.72	\$28.79	\$31.10	\$33.59	\$36.28	\$39.19
3/4" x 1"	\$33.72	\$28.79	\$31.10	\$33.59	\$36.28	\$39.19
1"	\$54.97	\$46.31	\$50.02	\$54.03	\$58.36	\$63.03
1-1/2"	\$108.07	\$90.09	\$97.30	\$105.09	\$113.50	\$122.58
2"	\$171.80	\$142.64	\$154.06	\$166.39	\$179.71	\$194.09
3"	\$373.61	\$309.03	\$333.76	\$360.47	\$389.31	\$420.46
4"	\$671.00	\$554.24	\$598.58	\$646.47	\$698.19	\$754.05
6"	\$1,701.28	\$1,403.71	\$1,516.01	\$1,637.30	\$1,768.29	\$1,909.76
8"	\$2,975.84	\$2,454.60	\$2,650.97	\$2,863.05	\$3,092.10	\$3,339.47
10"	\$4,462.83	\$3,680.64	\$3,975.10	\$4,293.11	\$4,636.56	\$5,007.49

Readiness to serve charge for a temporary meter is 1.5 times the charge above.

Recycled Water - Commodity Charge (\$/HCF) All charges are \$/hcf; hcf is hundred cubic feet = 748 gallons = one billing unit.

	Current	3/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Tier 1 - Efficient	\$1.16	\$1.24	\$1.34	\$1.45	\$1.57	\$1.70
Tier 2 - Inefficient	\$2.27	\$2.61	\$2.82	\$3.05	\$3.30	\$3.57
Tier 3 - Excessive	\$3.13	\$4.97	\$5.37	\$5.80	\$6.27	\$6.78
Temporary	\$4.70	\$7.46	\$8.06	\$8.71	\$9.41	\$10.17

RECYCLED WATER - ELEVATION CHARGE

	Current	3/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Las Virgenes Valley	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
East/West	\$0.37	\$0.30	\$0.33	\$0.36	\$0.39	\$0.43

Elevation charge for a temporary meter is 1.5 times the zone charge.

The elevation charge is determined by the highest zone that water is pumped prior to reaching the customer.

RATE TABLES *(continued)*

Sanitation - Residential Monthly Service Charge						
Household Size	Current	3/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
1	\$22.73	\$23.59	\$24.48	\$25.40	\$26.36	\$27.35
2	\$38.04	\$39.47	\$40.96	\$42.50	\$44.10	\$45.76
3	\$53.35	\$55.36	\$57.44	\$59.60	\$61.84	\$64.16
4	\$68.66	\$71.24	\$73.92	\$76.70	\$79.58	\$82.57
5	\$83.97	\$87.12	\$90.39	\$93.78	\$97.30	\$100.95
6+	\$99.28	\$103.01	\$106.88	\$110.89	\$115.05	\$119.37

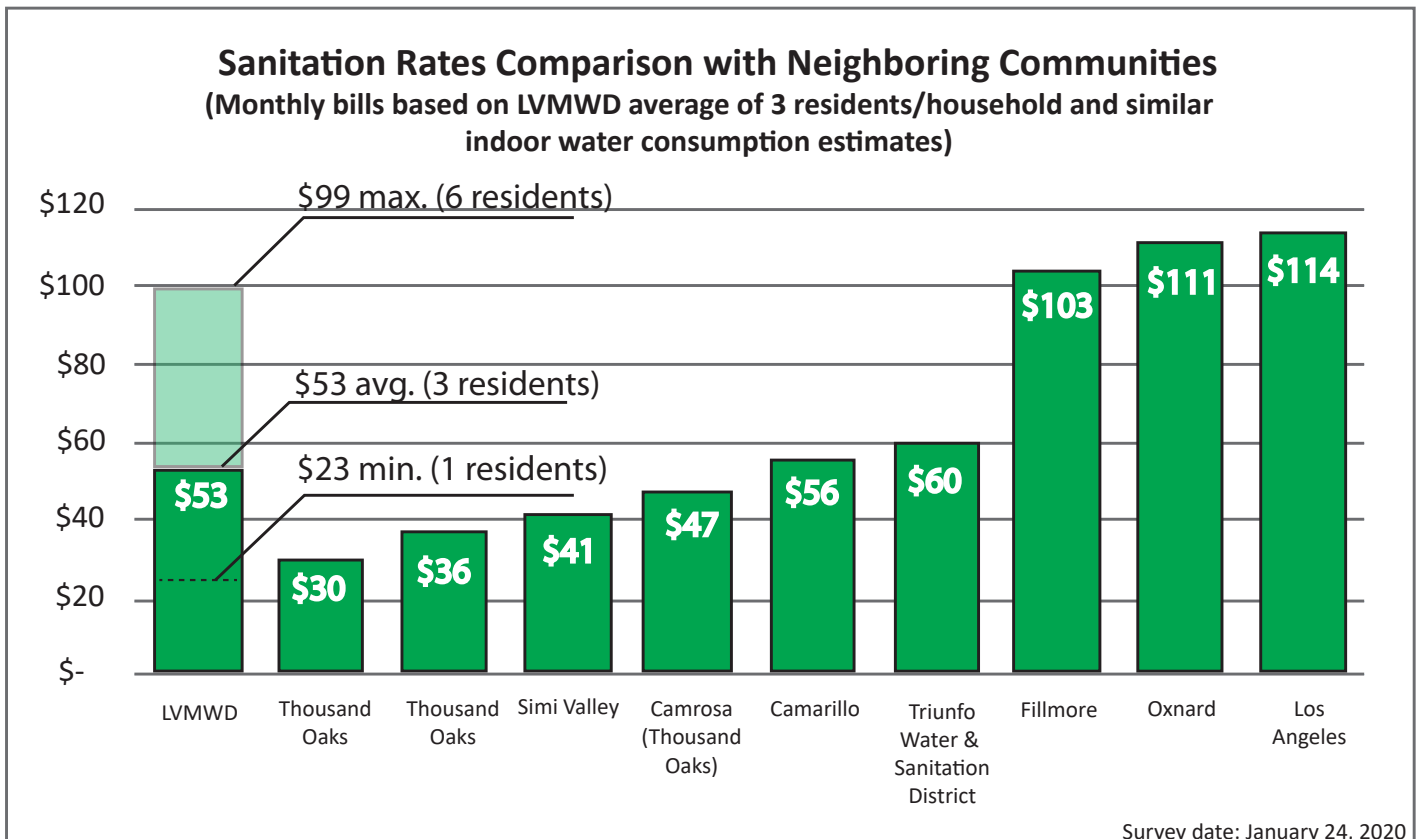
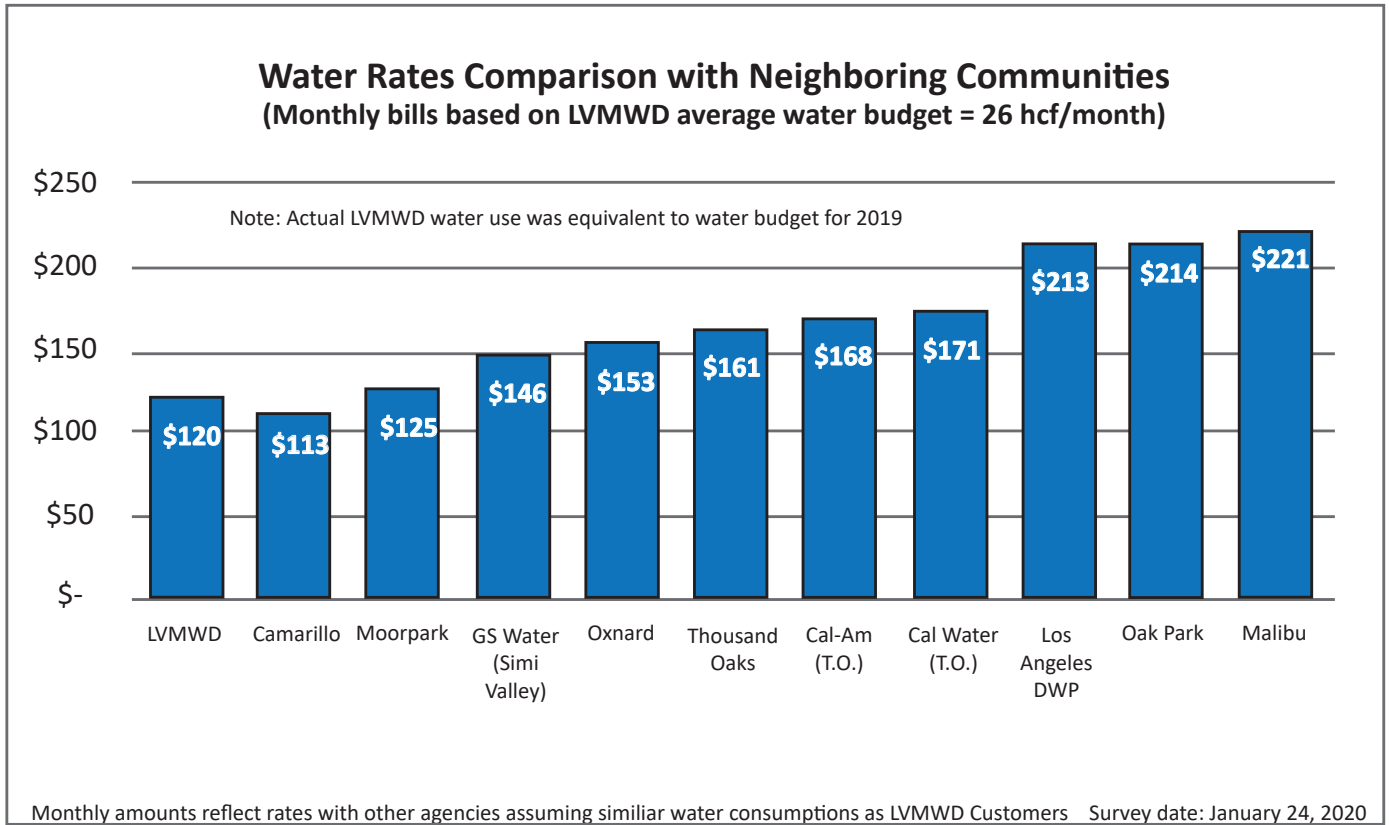
Sanitation - Commercial Monthly Account Service Charge						
	Current	3/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Class 1	\$7.42	\$7.70	\$7.99	\$8.29	\$8.61	\$8.94
Class 2	\$7.42	\$7.70	\$7.99	\$8.29	\$8.61	\$8.94
Class 3	\$7.42	\$7.70	\$7.99	\$8.29	\$8.61	\$8.94
Class 4	\$7.42	\$7.70	\$7.99	\$8.29	\$8.61	\$8.94

Sanitation - Commercial Monthly ERU Charges						
ERU Charges	Current	3/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Class 1	\$44.52	\$46.19	\$47.93	\$49.73	\$51.60	\$53.54
Class 2	\$61.37	\$63.68	\$66.07	\$68.55	\$71.13	\$73.80
Class 3	\$81.27	\$84.32	\$87.49	\$90.78	\$94.19	\$97.73
Class 4	\$102.27	\$106.11	\$110.09	\$114.22	\$118.51	\$122.96
Excess ERU						
Class 1	\$6.75	\$7.01	\$7.28	\$7.56	\$7.85	\$8.15
Class 2	\$9.30	\$9.65	\$10.02	\$10.40	\$10.79	\$11.20
Class 3	\$12.31	\$12.78	\$13.26	\$13.76	\$14.28	\$14.82
Class 4	\$15.49	\$16.08	\$16.69	\$17.32	\$17.97	\$18.65

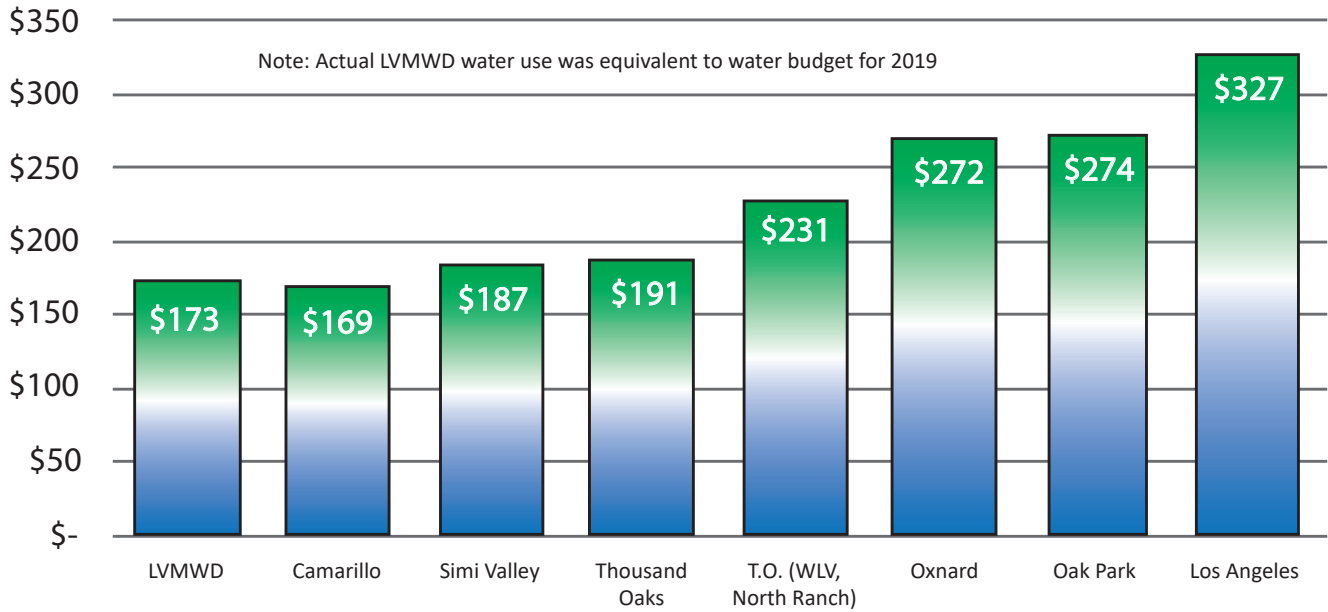
ERU = Equivalent Residential Unit

RATE COMPARISONS

Many factors affect the cost of providing services. Costs vary among providers because many conditions differ from one area to another. Providers may be private entities operating for profit and regulated by the California Public Utilities Commission or public agencies required to establish rates based on cost of service. The following tables provide comparisons based on the cost of service to the customer and do not reflect any special conditions.



Combined Water and Sanitation Rates Comparison
 (Monthly bills based on LVMWD average water budget = 26 hcf/month &
 3 residents/household)



Monthly amounts reflect rates with other agencies assuming similar water consumptions as LVMWD Customers Survey date: January 24, 2020

Guiding Principles

The proposed rates were developed based on the following guiding principles:

1. Maintain a rate structure that is fair and equitable across customer classes.
 - a) Re-examine commercial water budgets to promote efficient use in a manner that supports business and economic development.
2. Maximize revenue stability to navigate variable economic and hydrologic conditions.
3. Provide a strong price signal to drive an efficiency ethic and minimize rate impacts to efficient customers.
4. Ensure that rates are compliant with California Law.

Rates impact each customer differently. Please visit www.LVMWD.com/2020RateStudy to see exactly how the proposed rates impact you, review FAQs and to use the Rate Calculator.



Las Virgenes MWD
4232 Las Virgenes Road
Calabasas, CA 91302

Indicia

**Notice of Public Hearing
on potable water,
recycled water and
sanitation service rates**

Community Meeting Dates

You are invited to attend either of the following informational events intended to answer any questions you may have regarding the proposed rate structure:

- **JANUARY 13, 2021 – 5:00 P.M.**

HTTPS://ZOOM.US/j/91887953787?PWD=U051SMI2YzFicFJNNKU0UM9NWkLUZz09

PASSCODE: 402108

OR IPHONE ONE-TAP :

US: +16699006833,,91887953787# OR +13462487799,,91887953787#

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WEBINAR ID: 918 8795 3787

INTERNATIONAL NUMBERS AVAILABLE: HTTPS://ZOOM.US/j/ADVDIKUo8C

- **JANUARY 21, 2021 – 7:00 P.M.**

HTTPS://ZOOM.US/j/97163263245?PWD=OTFxcUDDTnp3TCTPQVJ3QLLT2ZBZz09

PASSCODE: 389948

OR IPHONE ONE-TAP :

US: +16699006833,,97163263245# OR +13462487799,,97163263245#

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WEBINAR ID: 971 6326 3245

INTERNATIONAL NUMBERS AVAILABLE: HTTPS://ZOOM.US/j/AGK1JQEHS