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MEMBER AGENCY OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

# LVMWD Board Approves Surcharge Refund Credits and Water Budget "Rollovers"

CALABASAS, CA - May 12, 2010 - At its May 11 meeting, the Las Virgenes Municipal Water District (LVMWD) Board of Directors approved a policy that will credit funds collected for previous over-budget use to a future water service bill. The refund credits were authorized because District-wide water conservation has been close to the annual target set by the Metropolitan Water District of Southern California, LVMWD's sole supply of water.

"The charges for over-budget use were assessed anticipating the need to pay penalties to Metropolitan for exceeding our District allocation," said

John R. Mundy, LVMWD's General Manager. "It now appears that the public has responded to our calls for conservation; with the result that we will pay little or nothing in the way of penalties to Metropolitan. Since the penalties collected are not needed, the money will be refunded in the form of credits against future bills."

For customers at or under their cumulative budgeted use during the last three billing periods in 2009, full credit will be applied. For those over their budgeted use, a 90 percent credit will be applied. The remaining 10 percent may be credited at a later time, provided the funds are not needed for LVMWD to pay Metropolitan for exceeding its agency allotment, which runs through June 30. The credits will begin appearing in customer bills in May. Final usage figures will not be available until late July; if further credits are warranted, affected customers will receive notifications with their service bills.

Some 12,000 LVMWD customers will receive refund credits totaling approximately \$3 million.

### **Budget Program Modified to Include "Rollovers"**

In another major change to the water allocation program, the LVMWD Board also approved a water budget "rollover" policy which will accumulate under-usage across billing periods during the water-use year that begins each July.

The new policy will credit water use under bimonthly allotments against other billing periods where usage exceeds the budget for that period. The change was described as a policy similar to cellular telephone companies that allow unused "minutes" to roll over from one billing period to the next. The net effect will allow customers to better manage their water use across billing cycles and possibly reduce or eliminate penalties paid by customers who occasionally exceed their allotment limit.

### **Conservation Programs Effective**

Board members attributed the policy changes as being made possible by LVMWD customers who responded to the call for conservation and to reduced irrigation demand resulting from this year's wet winter weather.

Las Virgenes Municipal Water District serves some 65,000 persons in the cities of Agoura Hills, Calabasas, Hidden Hills, Westlake Village and surrounding unincorporated areas of Los Angeles County.