

# **GM's Report on Water and Wastewater Schedule of Rates and Charges, Capacity Charges and Other Fees and Setting Public Hearing Date**

June 13, 2017

# Agenda



- Budget and rates calendar
- Updated Prop 218 notice
- Prop 218 rates and charges
- Other fees, charges, and regulations
- Next steps

# Budget and Rates Calendar



**Budget Workshop #1 and #2**

Jan 24, March 14

**Budget Workshop #3**

April 11

- Biennial Budget FY18 & FY19
- FY18 & FY19 Prop 218 rates and charges

**Mail Updated Proposition 218 Notice**

May 19 - May 27

**Board Meetings**

- **GM's report on rates & charges**
- Board consideration of FY18/19 budget
- Public hearing on rates and charges
- Board consideration of FY18/19 rates and position resolution

**June 13**

June 27

July 11

July 11

**FY18 Rates & Charges Effective**

July 12

# Updated Prop 218 Notice Mailing Completed by May 27<sup>th</sup>



- Original Prop 218 Notice sent in April for June 13 Public Hearing
- Data processing error in mailing list required a re-notice and delay of Public Hearing to July 11, 2017
  - In compliance with Prop 218 notice requirements
- If approved, FY18 rate increase would be effective on July 12, 2017
  - Impact of delay may reduce revenue by less than \$2 million compared to original budget plan (less than 0.3%)
  - Keep original budget plan and reduce expenditures if we see that FY18 revenues are falling short of budget

# Prop 218 Rates and Charges

# FY18 and FY19 Rates Developed from Proposed Budget and COS Study



- Revenue Requirement for FY18 and FY19 Proposed Biennial Budget yields increases:
  - 9.25%/9.0% for Water
  - 5.0%/5.0% Wastewater
- Proposed Rates calculated from Cost of Service (COS) Study
- Consistent with Board Policy and Proposition 218 requirements
- Schedule L – Drought Rate Surcharges remains in effect in the unlikely event of a water shortage
  - Stage 0: 0% drought surcharge

# Water and Wastewater System FY18 & FY19 Proposed Rate Increases



	Proposed		Projected		
	FY18	FY19	FY20	FY21	FY22
Water	9.25%	9.0%	7.0%	7.0%	5.0%
Wastewater	5.0%	5.0%	4.0%	4.0%	4.0%

# Monthly Water and Wastewater Impacts—Average SFR



	FY17 Current	FY18 Proposed	Change		FY19 Proposed	Change	
<b>Water – 8 Ccf/mo</b>	\$47.15	\$51.49	\$4.34	9.2%	\$56.12	\$4.63	9.0%
<b>Wastewater – 6 Ccf/mo</b>	\$19.93	\$20.89	\$0.96	4.8%	\$21.95	\$1.06	5.1%



# Monthly Single Family Residential Customer Impacts – Water



	SFR Use (Ccf)	FY17 Bill	FY18 Bill	Change	FY19 Bill	Change
25 <sup>th</sup> Percentile	4	\$33.33	\$36.40	9.2%	\$39.67	9.0%
50 <sup>th</sup> Percentile	6	\$39.65	\$43.30	9.2%	\$47.19	9.0%
75 <sup>th</sup> Percentile	10	\$55.83	\$60.97	9.2%	\$66.46	9.0%
95 <sup>th</sup> Percentile	22	\$116.31	\$127.03	9.2%	\$138.46	9.0%
Average SFR Use*	8	\$47.15	\$51.49	9.2%	\$56.12	9.0%

\*8 Ccf/month represents recent average single family residential use, down from 10 Ccf/month historic use

# Monthly Other Customer Impacts

## – Water



	Use (Ccf)	FY17 Bill	FY18 Bill	Change	FY19 Bill	Change
Multi-Family Residential 4 dwelling units	25	\$142.74	\$155.88	9.2%	\$169.95	9.0%
Multi-Family Residential 5+dwelling units	50	\$254.24	\$277.63	9.2%	\$302.70	9.0%
Commercial	50	\$253.24	\$276.63	9.2%	\$301.70	9.1%
Industrial	500	\$2,309.32	\$2,522.58	9.2%	\$2,751.36	9.1%

# Monthly Customer Impacts— Wastewater Treatment



	Use (Ccf)	FY17 Current	FY18 Proposed	Change	FY19 Proposed	Change
Average Single Family Residential	6	\$19.93	\$20.89	4.8%	\$21.95	5.1%
Single Family Residential	9	\$23.20	\$24.31	4.8%	\$25.55	5.1%
Multi-Family Residential 4 dwelling units	25	\$64.16	\$67.21	4.8%	\$70.64	5.1%
Commercial	50	\$135.03	\$140.81	4.3%	\$148.10	5.2%
Industrial	500	\$7,261.03	\$7,621.31	5.0%	\$8,006.60	5.1%

# Annual Customer Impacts— Wet Weather Facilities Charge



	FY17 Current	FY18 Proposed	Change	FY19 Proposed	Change
Small Lot 0 - 5,000 sq.ft.	\$94.10	\$98.80	5.0%	\$103.74	5.0%
Medium Lot 5,001 - 10,000 sq.ft	\$147.00	\$154.34	5.0%	\$162.06	5.0%
Large Lot >10,000 sq.ft	\$336.00	\$352.80	5.0%	\$370.44	5.0%

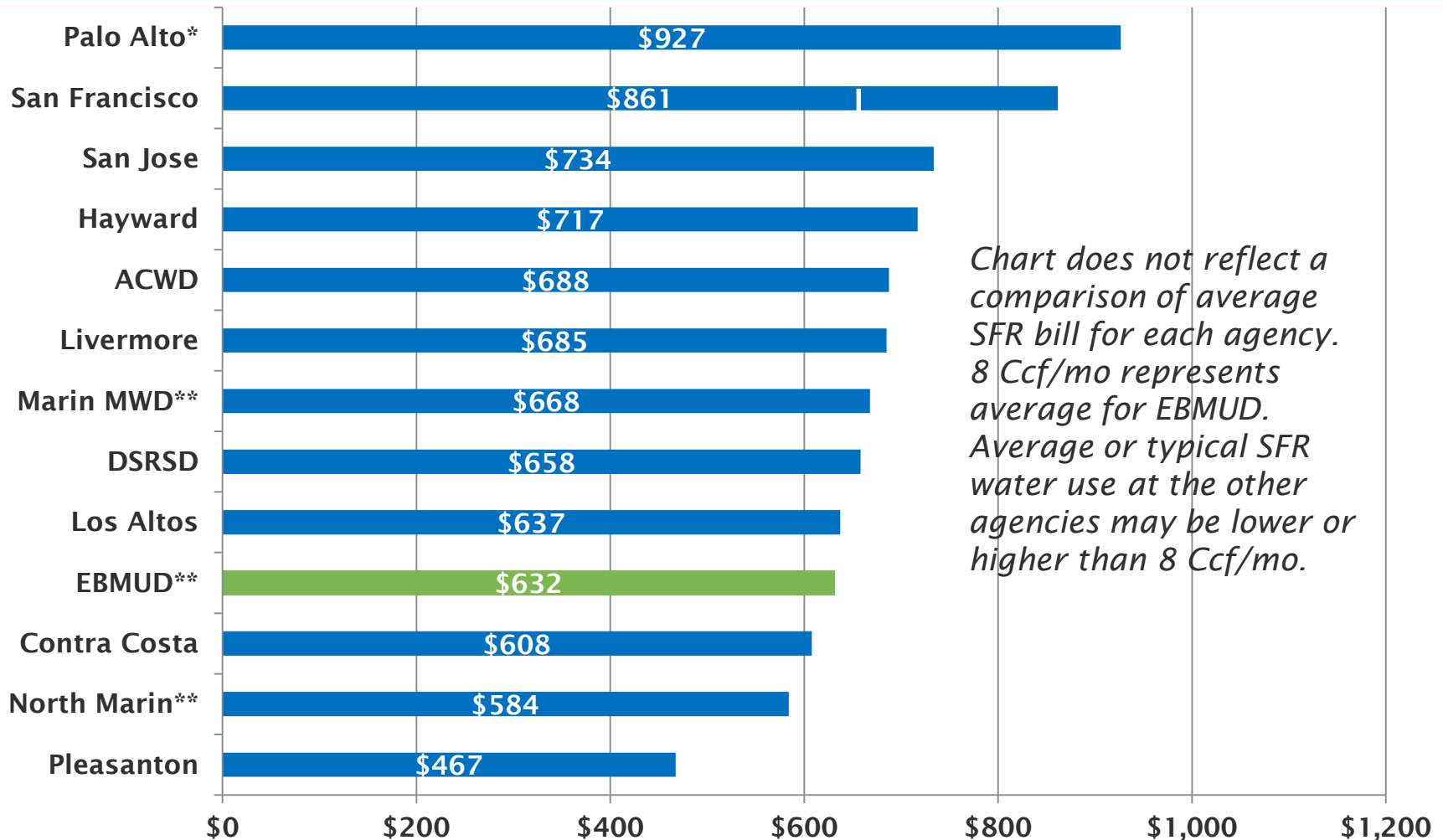
# Agency Comparison Consideration



- Based on recent District average single family residential use of 8 CCF/month (200 gpd)
  - Down from pre-drought historic average of 10 CCF/month (250 gpd)
- Average use varies by agency
  - Housing density,
  - Climate variation, and
  - Demographics
  - Schedule for rate changes vary agency

# Water Bills Calculated for 8 CCF/Mo

## Annual Charge for SFR – Effective July 2017

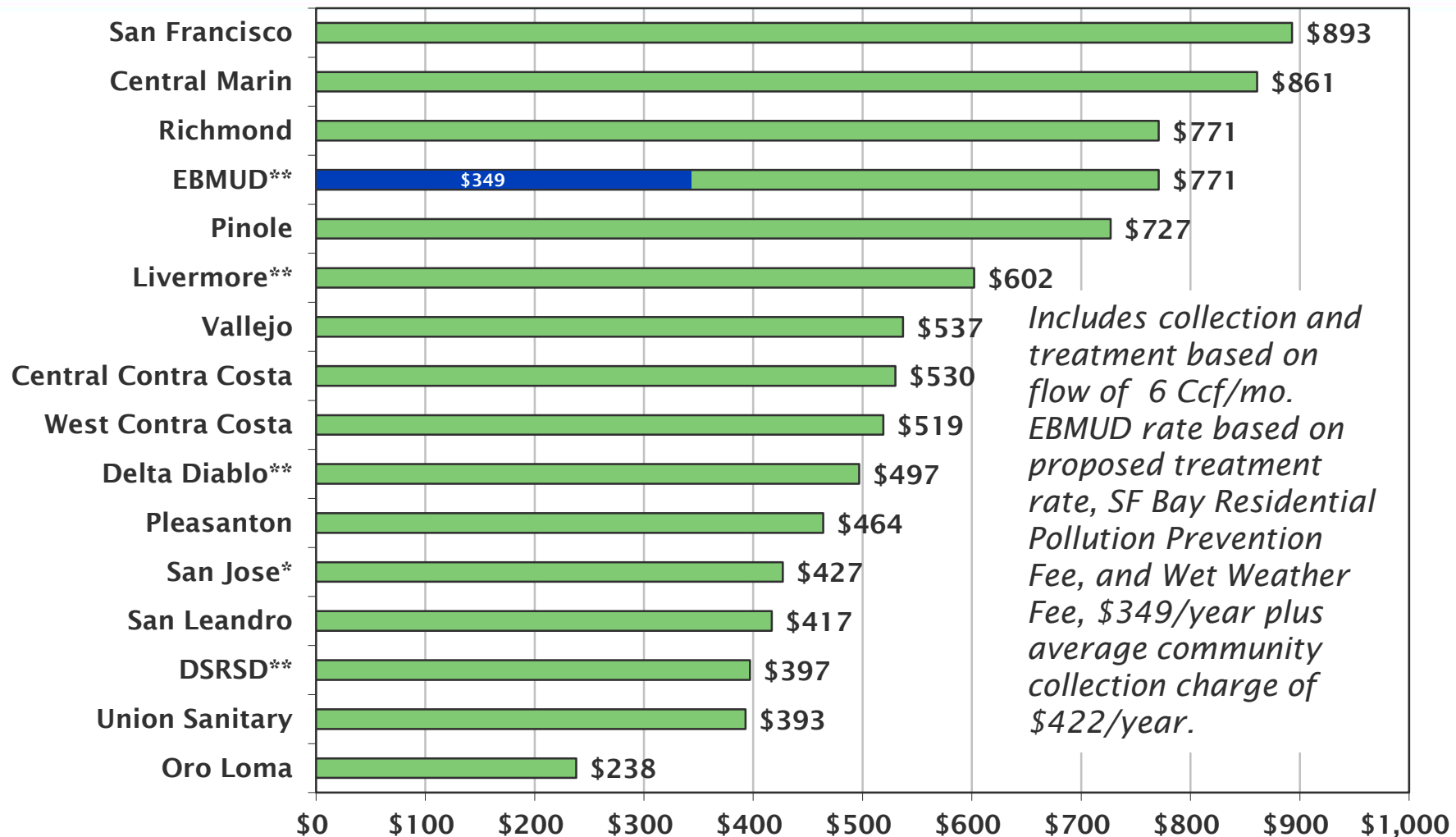


\*FY17 rates, possible rate increases for July 2017

\*\*Proposed FY18 rates

# Wastewater Bills Calculated for 6 CCF/Mo Discharge

## Annual Charge for SFR – Effective July 2017



\*FY17 rates, possible rate increases for July 2017

\*\*Proposed FY18 rates

# Non-Prop 218 Rates and Charges



# Other Fees, Charges and Regulations - Water



- Water Fees and Charges

- Account Establishment Fees, Charges for Special Services, Real Property Use Application Fees, Public Records Act Fees, and Recreation Fee increases to reflect District costs (approximately 2-5%)

- Water Regulations

- Changes to Explanation of Terms, Applying for Service, Standard Service, Change in Size of Service, Protection of Public Water Supply and Water Efficiency Requirements address new state laws and backflow protection issues

# Accessory Dwelling Units (ADU)

## – *In-Law Units*



- Passage of SB 1069 and AB 2406 to Facilitate the Development of ADUs
  - ADU built within the existing space of a structure does not require a new utility connection or connection fee
  - Exempts ADU from the fire sprinkler requirement
  - Connection fees may be imposed if an ADU is built outside of the existing footprint or as a new structure

# EBMUD Regulation Changes for Accessory Dwelling Units



- ADU's built within existing building footprint does not require District review of water service
- District will review ADUs built as new structures or when increasing building footprint
  - No SCC assessed if the existing meter can support the total water demand
  - If total water demand exceeds capacity of existing meter, upgrades of service and SCC are applicable
- Changes to Regulations Sections 1, 2 and 3

# Regulation Changes – Individual Metering



- Individual Metering Requirement - Effective 2018
  - New state law requires new multi-unit structures to sub-meter individual units
  - District currently requires individual District-owned water meters for each dwelling unit in multi-family residential up to three stories in height
  - To conform to new law, District would require individual District-owned meters or applicant-owned sub-meters without height limitations
    - UPDATE: Proposed EBMUD regulation change effective date is January 1, 2018

# Regulation Changes – Live/Work and Work/Live Designation



- Live/Work Vs. Work/Live
  - Clarifying Live/Work units as residential and Work/Live units as non-residential for the purposes of assessing the appropriate SCC

# Regulation Changes – Backflow Prevention Devices



- Backflow prevention device requirements apply to all customers
- Single family premises using well water that have no cross connections to the potable system will be deemed a conforming customer
  - District will install and maintain a double-check valve and no further backflow prevention device requirements will apply
- Single family premises requiring a Reduced Pressure Principle Backflow device (non-conforming customers) and all other backflow prevention device customers bear the cost of installation, inspection, and maintenance

# Other Fees, Charges and Regulations - Wastewater



- **Wastewater Permit Fees**
  - Increase fees for Discharge Permits and Estimation Permits (approximately 5% per year) to reflect District costs; Modify Limited Term Discharge Permit Fee and Treatment Charge
- **Wastewater Private Sewer Lateral (PSL) Compliance Fees**
  - Increase PSL Compliance Certificate fee \$25 and Time Extension fee \$7 to reflect District costs.
- **Wastewater Resource Recovery Rates**
  - Add subcategory to Gray Water (“Brine”) material type at \$0.05 per gallon (currently \$0.04 per gallon); Increase Brine rate by \$0.01 per gallon in FY19



# Wastewater Limited Term Discharge Permit



- Limited Term Discharge Permits are used for groundwater disposal at construction projects
  - Current fee of \$995 does not cover staff costs to administer permit
  - Proposed fee increase to \$2,500 is needed to cover the cost of issuing permit, managing compliance requirements, and monitoring of ongoing discharge conditions and project changes
- Treatment charge for groundwater discharge will be significantly reduced
  - Reduce current fee 92% from \$0.02/gallon to \$0.0016/gallon to reflect low strength of groundwater discharge



# Proposed Water and Wastewater Capacity Charges Increase



- **Water System Capacity Charge (SCC)**
  - Adjust charges for ENR Construction Cost Index
  - Updated costs for the Future Water Supply component
  - SFR SCC increase 4.5-4.7% for Regions 1, 2 and 3
- **Wastewater Capacity Fee (WCF)**
  - Adjust charges for ENR Construction Cost Index
  - Implement 5<sup>th</sup> year of 5 year phase-in of updated calculations from FY13; FY18
  - SFR WCF increase 16.7% from \$2,150 to \$2,510

# SCC SFR Rates by Region and Sub Region



Region	SFR Consumption* (gpd)	Current SCC	Proposed FY18 SCC	% Increase	Unit Costs \$/100 gpd
Region 1	280	\$16,740	\$17,530	4.7%	\$6,259
Region 2	360	\$29,040	\$30,340	4.5%	\$8,427
Region 3	580	\$37,050	\$38,770	4.6%	\$6,684
Region 3C	775	\$86,590	\$89,640	3.5%	\$11,566
Region 3D	775	\$96,870	\$100,850	4.1%	\$13,012

\*Based on average water demand for a ¾-inch meter for a new single family residential premises under normal water use conditions

# Recommended Board Action and Next Steps



- File GM Report and Recommendation
- Set Public Hearing for July 11, 2017

# **Customer Payment Enhancements and Trends Update**

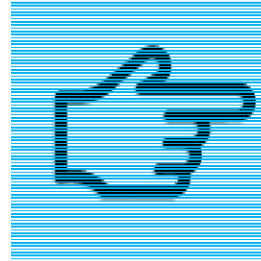
Board Meeting

June 13, 2017

# Agenda



- Payment Options
- Payment Trends
- Enhancements
- Next Steps



**PAY ONLINE**



# Payment Options



**EBPP (Electronic Bill Presentment/Payment)**



**Automated Bill Pay**



**Home Banking/ACH**



**Credit Card**



**Pay Stations**



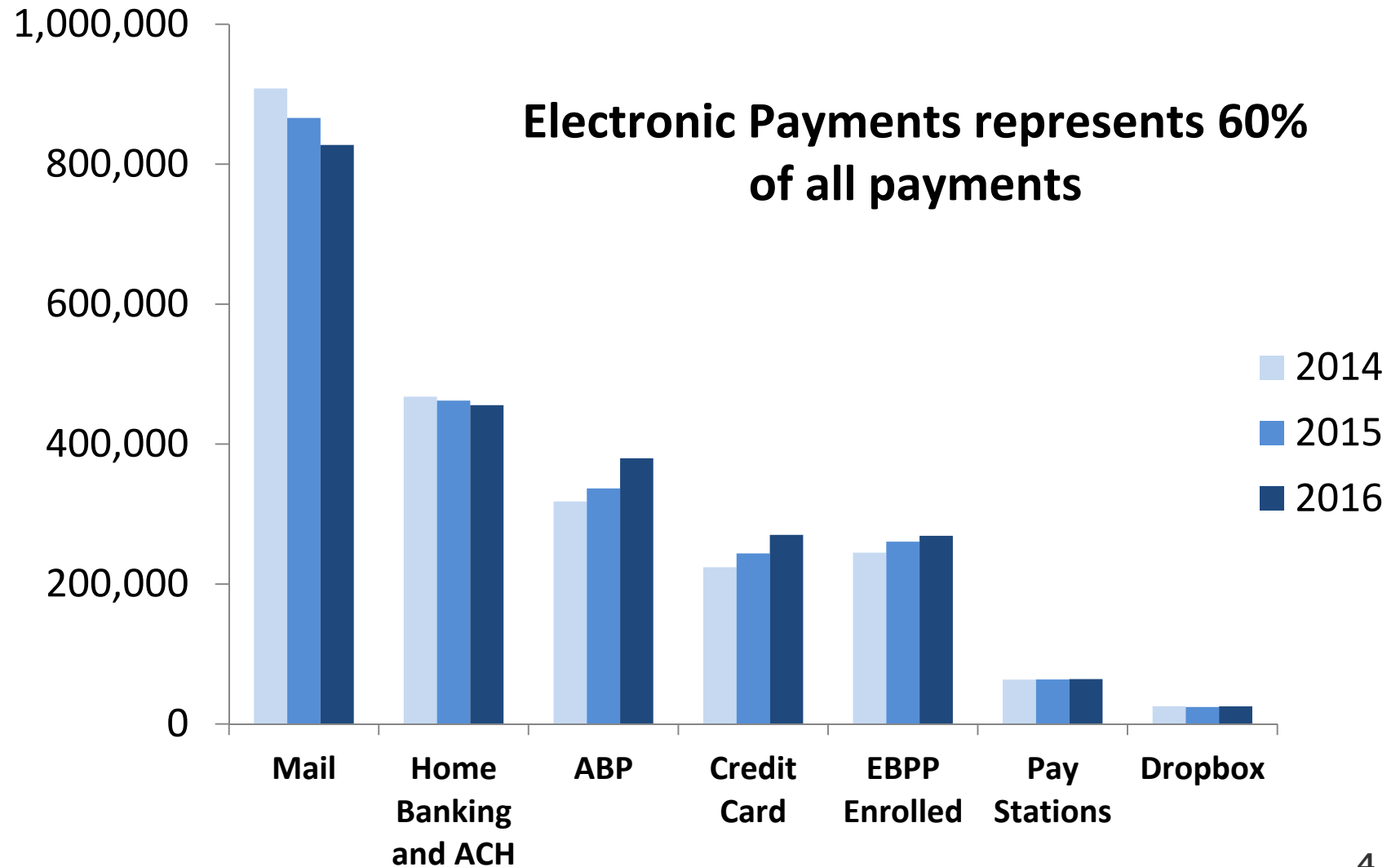
**Mailed Payments**



**Drop Box**

Payment Option	Cost per Payment
EBPP	\$0.50
Automated Bill Pay	\$0.94
Home Banking/ACH	\$0.96
Credit Card	\$0.96
Pay Station	\$0.96
Mailed and Drop Box	\$1.22

# Payment Trends





# Barriers to EBPP Adoption



Your Personal Online Payment Center<sup>SM</sup>

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**Make an Emergency  
Payment** to over 100 billers.  
No need to sign-in!

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Have a  
Microsoft  
account? [Sign in with  
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**Pay your bills without  
the worry**

Scout, the Bill Retriever<sup>SM</sup> is ready to fetch for you — free!

## Choose from hundreds of available e-bills!



[See a Demo](#)


- ▶ Receive and pay your e-bills at **one easy, secure location**.
- ▶ Scout knows his way to hundreds of e-bills... he'll fetch yours right now at **no charge!**
- ▶ Payment processing begins as soon as you "**click to pay**".
- ▶ Every payment carries a **100% guarantee** to get it to where you sent it.

Click "**Go Scout! Enroll**" to find out how quick and easy it is to get started.




# Enhancements to EBPP – Customer Dashboard



 **EAST BAY  
MUNICIPAL UTILITY DISTRICT**

[Account home](#) [Payments](#) [Bills](#) [AutoPay](#) [My profile](#)

## Account home

 **My EBMUD accounts**

Account  (1111111122 )


Total balance


\$22.07


Date due


May 22


Please pay by the due date to avoid late fees.


 **Pay bill**

 **AutoPay is ON >**

 Billing help/FAQ >

 Edit my profile >


 Manage notifications >

 **Message from EBMUD**


Welcome to EBMUD eBill portal.


Set up your payment account under My Profile, Manage my bank accounts.

Delivering reliable, high quality water takes financial stewardship. Learn how EBMUD reinvests in our water and wastewater systems to better serve you. Visit [ebmud.com/stewardship](#).

 **eBill payments for account 11111111222**

Date	Status	Amount
06/07/2017	Cancelled	\$22.07
06/05/2017	Cancelled	\$22.07
See all eBill payments		>

 **Customer news**



**customer Pipeline**

**Reliable service: What will it cost you?**

Read more >

# EBPP – Demonstration



# Next Steps



- EBPP enrollments tripled for the first month.
- In July, a targeted payment campaign will be launched to market the enhancements.
- A new Interactive Voice Response System will promote electronic payments.
- Staff will continue to monitor the EBPP adoption rate and look for opportunities to increase use.



**New! Enroll in paperless bills: pay in a flash  
with zero fees and zero trees.**