Wastewater & One Water Connection Fees and Service Rates Study

Kick-Off Meeting – February 4, 2019
Kick-off Meeting Agenda

1. Introduction
2. Project Scope
3. Project Schedule
4. Other Discussion Items?
   - Any additional scope items?
   - Have there been any changes at IEUA since the last rate study that may impact our analyses?
Team Introduction

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Graham Juby, PhD, PE
PRINCIPAL IN-CHARGE

Alex Bugbee, EIT
PROJECT MANAGER

Jennifer Ivey, PE
FINANCIAL ADVISOR, QA/QC

ANALYSTS

Mark Panny
LEAD ANALYST

Maddie Atkins
SUPPORT ANALYST

Kim Lightner
SUPPORT ANALYST
Project Scope and Schedule
Scope Items

Data Collection and Kickoff

Update Connection Fees and Monthly Rates
  • Wastewater and One Water

Assess Long-Term Rate Impacts of Chino Basin Project
  • Impact on fees and charges; short- and long-term outlook

Assess Alternative Rate Collection Options
  • County Tax Roll, other methods?

Community Outreach and Workshops
### Proposed Project Schedule

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**Legend:**
- ⭐ Draft Memo
- 🌟 Final Memo
- ⭐⭐ Kick-off Meeting
- 🌟 Local Stakeholders Meetings
- ⚪ Bi-Weekly Meeting
- 🌟 Monthly Meeting
Task 1: Data Collection

- Data collection is underway
  - Data request submitted to IEUA 1/25/2018
  - First round of data received 1/31/2018
- Initially requested items will be sufficient to get the studies underway
- Additional items may be required as the analysis progresses
Tasks 2 through 6: Connection Fee and Service Rates

Policy & Rate and Fee Structure Review

Revenue Requirement and Funding Needs Analysis

Demand Analysis and Discharge Analysis

Cost Allocation Analyses - growth/existing - functional group

Rate and Fee Design Analysis

Outreach, Engagement, & Messaging
Tasks 2 and 3: Connection Fee Updates

Task 2: Wastewater Connection Fees, Task 3: One Water Connection Fees

• Both connection fees are currently based on a hybrid calculation

\[ \text{Hybrid Connection Fee} = \frac{\text{Value of the Available System}}{\text{Expected Future Users}} + \frac{\text{Capacity Related CIP}}{\text{Expected Future Users}} \]

• This approach will likely be the most appropriate for this update
  – Have planning conditions changed significantly since the last study?
  – Can elements of the CBP be incorporated into the One Water fee?

Deliverables: Analysis and Tech Memos
Task 4: Wastewater Rate Development

- Monthly rate per EDU
  - Rates adopted through FY 2019/20

- Updated rates will rely on current EDU per account calculation methodology

- Analysis and results will be laid out to allow for future updates

- Should loadings parameters beyond BOD and TSS be considered?

- What components of the EDU definition are set by the Regional Contract?

**Deliverables: Analysis and Tech Memo**
Task 5: Water Rate Development

- Readiness-to-Serve Charge
  - Charge based on TYRA to be fully phased-in starting FY 2022/23
  - Estimated MWD TYRA charges and phase-in percentages will be used to calculate MEU charges until full TYRA phase-in

- MEU Charge
  - Cover IEUA’s internal costs and portion of RTS during phase-in
  - Current rates adopted through FY 2019/20

- How is the current structure working?

- How has it been received by the member agencies?

**Deliverables:** Analysis and Tech Memo
Task 6: Recycled and Recharge Rate Development

- Volumetric rates per acre-foot or million gallons
  - Rates adopted through FY 2019/20

- How will the CBP elements impact recycled water availability for direct sales and vice versa?

- Are the fully volumetric rates providing a stable source of revenues?
  - Should the addition of a fixed charge be explored?

Deliverables: Analysis and Tech Memo
Task 7: Assess Impacts of Chino Basin Project

Chino Basin Project
- CIP Projects
- New O&M Needs
- Supply Enhancements
- MWD Incentives
- Ownership Shares

Overall Financial Projection
- O&M
- CIP
- MWD
- Policy Needs

Long Term Rate Scenarios
- Potable Water Rates/Fees
- Recycled and Recharge Rates
- One Water Connection Fee

Deliverables: Model and Tech Memo
Task 7: Defining the preliminary CBP

- Key analysis elements:
  - Defining costs and benefits (optional and/or mandatory inclusion)
  - Determining how costs are shared (internal funds, external participants)
  - Determining impact on rates and fees (water, recycled and recharge, other?)

- When will project and cost information be available for the CBP?

- What model structure will be most useful for IEUA?
Task 8: Alternative Collection of Rates

• Evaluate alternative methods of collecting wastewater and water monthly rates
  – Property Tax Roll, Direct Billing

• Identify the steps needed to transition to alternative billing methods

*What would be the impetus for transitioning?*
*What would be the other implications?*

**Deliverables: Tech Memo**
Task 9: Meetings and Workshops

- Bi-Weekly Meetings
  - Conference Call and WebEx (as needed)

- Monthly Meetings
  - Onsite at IEUA

*Who needs to be involved in each meeting?*

*How much lead time do we need to schedule onsite meetings?*

- Stakeholder Meetings
  - Onsite at IEUA
Outreach Meeting Planning

• What is the lead time for scheduling outreach meetings?

• What will each meeting cover/present?
  – How many meetings will be needed?
  – What needs to be completed prior to each meeting?

• What input do we want to receive from the stakeholders?
  – What role will the stakeholders play in decision making?
Additional Discussion