

Wastewater & One Water Connection Fees and Service Rates Study

Kick-Off Meeting – February 4, 2019

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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



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

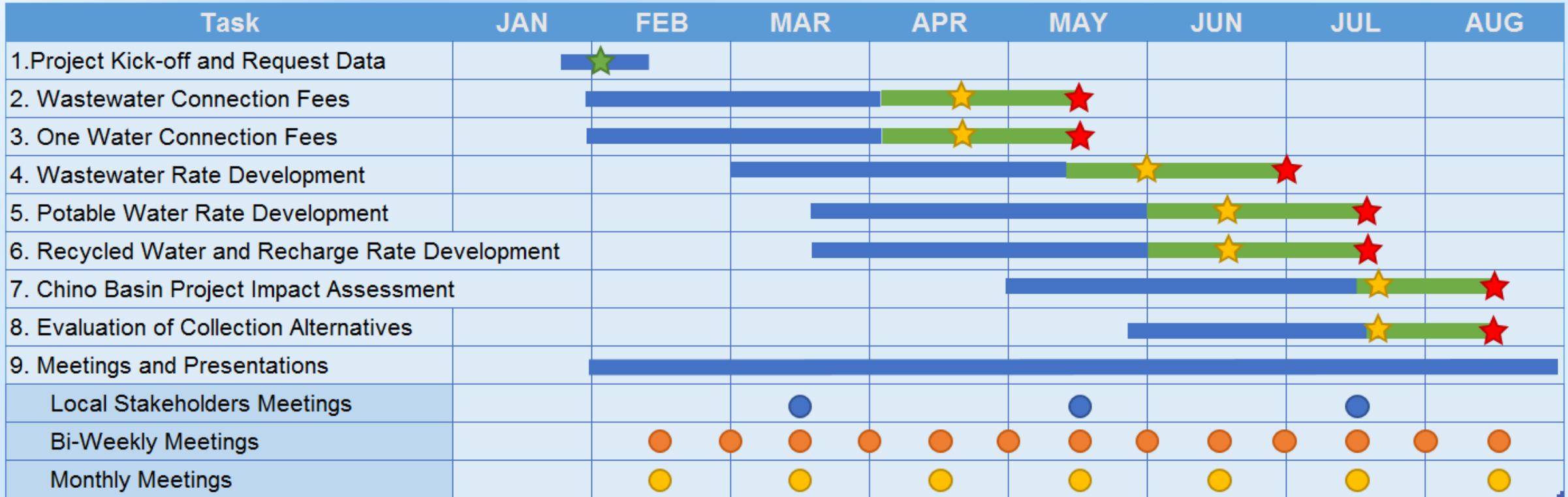
- Impact on fees and charges; short- and long-term outlook

Assess Alternative Rate Collection Options

- County Tax Roll, other methods?

Community Outreach and Workshops

Proposed Project Schedule



- ★ 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



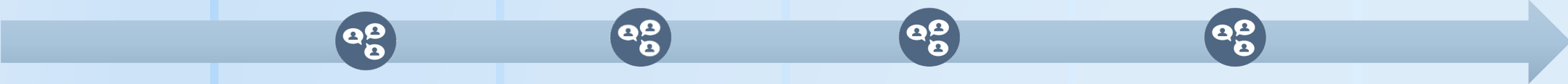
Cost Allocation Analyses
-growth/existing
-functional group



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

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



Deliverables: Model and Tech Memo

Task 7: Defining the preliminary CBP

Chino Basin Project

CIP Projects

New O&M Needs

Supply
Enhancements

MWD Incentives

Ownership
Shares

- 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