

# This presentation premiered at WaterSmart Innovations

[watersmartinnovations.com](http://watersmartinnovations.com)



# Communicating With Customers About Rates....

## One at a Time

October 6, 2011



W THE WOLCOTT COMPANY  
C Co.

# Challenge: Meet 20% by 2020

Water allocations

+

Tiered Rates

But.....

- ▶ Over 2 years
- ▶ Community averaged landscapes then precise
- ▶ Segmented audience

## Goals:

5% variance requests

Customer acceptance as “fair and equitable”

## Solution:

“High Touch”  
Outreach Plan  
*in collaboration with*  
Customer Service

# Focus groups = strategy and key messages

- Individualize it – “you” are in control
- Simple adjustments gets into “efficient” range
- “Wasting” water vs. “conserving” it

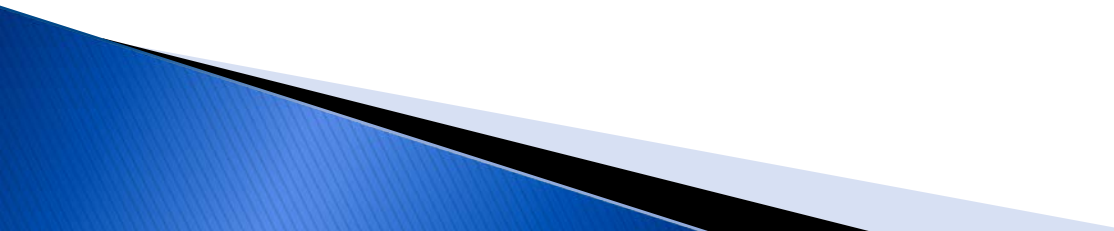
Make customers feel.....



# Customer Communications Plan

## Phase 1 – Allocations only

## Phase 2 – Tiered Rates

- News release
  - Public speaking engagements
  - Bill messages
  - Direct mail piece
  - Interactive website
  - (High-impact customer outreach in phase 2)
- 

# Phase 1 Direct Mailer



**COMING SOON...**

New information to help you be **smarter** about your **water use**

 Valencia Water Company



# Phase 2 Updates

## Customer Specific Web Accounts

Billing Details
Payment Details
Make a Payment
Payment Options
Water SMART Allocation
Allocation Details
Variance Request
Conservation Tips
Allocation FAQ's
Consumption History
Service Request Summary
Account Services
Request Payment Extension
Transfer Service
Disconnect Service
Update Mailing Address
Electronic Bill Delivery
Questions and Comments
My Profile
Back of Bill
2010 HET Toilet Rebate Offer
Log Out

### Water SMART Allocation

**Account Number** *Select a utility account to view details*  
1-8986.300

**Customer Name** MARY E GREEN



The "Inefficient" range represents an over-use of water, above the allocated amount. You can take simple and easy steps to lower your use to bring your use to the Efficient level. See our Conservation Tips for more information.

The **Water SMART** (Saving Money And Resources Today) allocation program is an easy way to monitor your monthly water usage and to make adjustments as necessary. Your Allocation represents the amount of water your household should have used, indoors and outdoors, in an efficient manner, for the given billing period.

The allocation-based rate structure rewards water efficiency and provides increasing economic price signals for the inefficient, excessive and wasteful use of water. Valencia Water Company customers who don't waste water enjoy rates that are the lowest in the Santa Clarita Valley. To learn more, read "Understanding Water Allocations" below.

### Your Water SMART Allocation

Current Bill Date: 05/11/2011 Values rounded in: CCF's [Display as Gallons](#)

Your Water Use is:	Inefficient	% of Allocation	118
Total Allocation <i>Indoor + Outdoor = Total</i>	22	Actual Use	26
Indoor Allocation	8	Outdoor Allocation	14

**UNDERSTANDING WATER ALLOCATIONS and TIER RATES**

The Valencia Water Company **Water SMART** Allocation program is a fair and equitable method of providing residents a water allocation calculated on their individual needs. This rate structure promotes the efficient use of water by providing customers with economic pricing signals as their water use increases. To learn more about water allocations and the tiered rate structure, [click here](#).

**WATER SAVING TIPS**

The Water SMART program features many tools and information to help Valencia Water Company customers become more water efficient without sacrificing their lifestyle or budget. If you find your usage exceeds your allocation amount, click on the "Conservation Tips" or "Allocation FAQ's" on the left side of this page to find easy ways to be more efficient with this precious resource.

Private customer account



# Phase 2 Updates

# Customer Specific Web Accounts

**Account Number** 1-8986.300  
**Customer Name** MARY E GREEN

## UNDERSTANDING WATER ALLOCATIONS

The Valencia Water Company **Water SMART** program is a fair, equitable and highly accurate method of providing residents a water allocation based on their needs. The system is based on research and studies of water used by homes served by Valencia Water Company. These calculations take into account actual use, aerial-based measurements of individual landscaped areas and weather patterns to give each house an individualized allocation.

Please select a link below to learn more about...

[Indoor Allocation Calculations](#)

[Outdoor Allocation Calculations](#)

### Your Allocation Parameters

**ACCOUNT NUMBER** 1-8986.300  
**CUSTOMER NAME** MARY E GREEN  
**CURRENT AMOUNT DUE** \$0.00  
**LAST BILLED AMOUNT** \$48.68 [View Latest Bill](#)  
**UTILITY SERVICE** WATER  
**TYPE OF METER** NORMAL WATER  
**METER NUMBER** 2236440  
**METER LOCATION**  
**RATE** 3/4 INCH RES METER  
**LANDSCAPED AREA** 3,152 square feet  
**ASSIGNED LANDSCAPED AREA** 3,152 square feet

*Valencia Water Company launched the Water SMART program in January 2010 without a change in rates so customers could become familiar with the allocation system and make adjustments before tiered pricing went into effect. Before implementing an allocation-based rate system in 2011, Valencia Water Company used an aerial-based imaging system to measure every individually metered residential lot for its actual landscaped area. Note: Assigned Landscaped Areas*



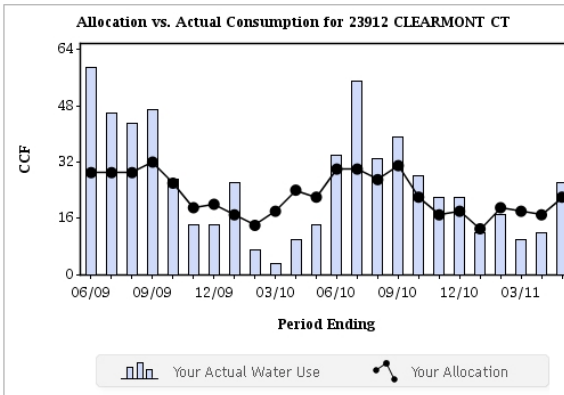
**YOUR Water Allocation Performance**

### ALLOCATION ANALYSIS

Values displayed in: CCF's

[Display as Gallons](#)

Allocation this period **22** Usage this period **26**  
 Indoor Allocation **8** Outdoor Allocation **14**



[Hide Allocation Detail Chart](#)

[Export to Excel](#)

Read Date	Meter #	Usage	Allocation	% of Allocation	ET
05/05/2011	2236440	26	22	118	6
04/07/2011	2236440	12	17	71	4
03/10/2011	2236440	10	18	56	4
02/08/2011	2236440	17	19	89	4
01/06/2011	2236440	12	13	92	2
12/07/2010	2236440	22	18	122	3

Detailed water usage

# Annual Bill Insert

Front

Back



## Water Rate Information

### Concerned about saving water and lowering your bill?



### Let us help you!

Participate in our **Residential Water Check-Up Program** and an experienced Water Conservation Specialist will visit your home for FREE to help you understand how to use water more efficiently both indoors and outdoors. You may also receive other FREE items, such as low flow plumbing fixtures, leak detection assistance, and irrigation system inspection. Sign up for your FREE Residential Water Check-Up today by calling **WaterWise Consulting** at (888) 987-9473, or contact our office at (661) 294-0828 and ask to speak to "Conservation."

You are billed only for the water you use.

Allocations only determine what units are billed at which tiered level. See the other side for an example and further explanation.

#### Dear Customer:

We are providing you this information to explain our water rates and to show how a sample water bill is calculated. This rate information is sent to you annually, or whenever there is a change to our general rates. Please contact our office at (661) 294-0828 if you have additional questions after reading this sheet.

Your bill includes a monthly service charge, which is a readiness-to-serve charge. The monthly service charge is a fee for being connected to the water system. The monthly service charge is fixed regardless of how much water you use, and is based on the size of your meter. Your bill also includes an allocation-based tiered rate system – a consumption charge based on the quantity of water that flows through your meter and your monthly allocation. The consumption charge is based on each hundred cubic feet of water measured by your meter. (One hundred cubic feet of water = 748 gallons.)

If you are not yet familiar with our new **WaterSMART** program, please visit that area of our website at [valenciawater.com](http://valenciawater.com).

Reducing the amount of water you use will save you money by reducing your total consumption charge. However, the monthly service charge is fixed and will not change with changes in your water use. Your bill also includes a Public Utilities Commission ("PUC") surcharge, which is a fee paid by all customers to fund the cost of the PUC regulation of all private water utilities in California. The fee is 1.5% of your total water bill. We collect the fee from customers and then pass it on directly to the PUC.

#### Valencia Water Company's current rates are as follows

##### Monthly Service Charge

If your meter is this size

5/8 inch	\$9.15
3/4 inch (most homes have this size)	13.72
1 inch	22.87
1-1/2 inch	45.75
2 inch	73.19

You pay this much per month

If your meter is larger than 2 inches, you may call our office or go online to [www.valenciawater.com/service/rates.asp](http://www.valenciawater.com/service/rates.asp) for the service charge.)

##### Consumption Charge (only for water you actually use)

The rate per hundred cubic feet (ccf) of water (748 gallons) is now divided by tiers:

Tier level (name)	Rate
<b>Tier 1</b> (Super Efficient) Indoor monthly water allocation	\$1,144
<b>Tier 2</b> (Efficient) Outdoor monthly water allocation	\$1,362
(Tiers 1 + 2 = 100% of total monthly allocation)	
<b>Tier 3</b> (Inefficient) 101% - 150% of monthly allocation	\$1,703
<b>Tier 4</b> (Excessive) 151% - 200% of monthly allocation	\$2,214
<b>Tier 5</b> (Wasteful) Use in excess of 200% of monthly allocation	\$2,878

##### Payment Options

You have several options for paying your monthly water bill

- Authorize us to pay your bill through a monthly automatic bank draft
- Pay your bill electronically using your own online bill payment service
- Mail your payment along with your detachable bill stub in the envelope provided with your bill
- Pay by e-check at [www.valenciawater.com](http://www.valenciawater.com), or by calling (661) 294-0828
- Pay your bill in person from 8 a.m. to 5 p.m., Monday through Friday, or by using our after hours drop box located at the front of our building

Contact our office at (661) 294-0828 or visit our website at [www.valenciawater.com](http://www.valenciawater.com) for more information on payment options.

[www.valenciawater.com](http://www.valenciawater.com)

## Your Water Bill

Manage your account online. Go to [valenciawater.com](http://valenciawater.com) to see more descriptions of your bill.

#### Days This Period

Our billing periods range from 27 to 33 days. The number of days shown on the bill is the difference between the prior meter read date and the current meter read date.

#### Total Amount Due

This is the amount due as of the date your bill is mailed, including adjustments, credits, or deposits applied.

#### Monthly WaterSMART Allocations and Usage

The Indoor Allocation is 6,500 gallons rounded to 0 units or CCF's (one hundred cubic feet) for a 30-day month. This amount is based on national research that shows what an average household of four living in a single-family home would need if they used water efficiently and had the appropriate water-efficient fixtures. The Outdoor Allocation varies by landscaped area, daily weather conditions in the Santa Clarita Valley and the number of days in a billing cycle. The Total Allocation is the combined Indoor and Outdoor allocation for the bill cycle added together.

#### Current Total Usage

The "current" or "total" usage is the amount of water used during this billing period. Water usage is counted and billed in units of one hundred cubic feet which is equal to 748 gallons. (Note: You are billed only for the water you actually used.)

#### Last Year Usage

The amount of water used at this location for the same period a year ago. Differences could result because of weather conditions, indoor-efficiency and other factors.

#### Your Water Use Was

This gives you a gauge on how you used water this month. There are five categories: Super Efficient, Efficient, Inefficient, Excessive and Wasteful. Only the highest category of the monthly use is shown.

#### Assigned Landscaped Area in SF

Valencia Water Company used aerial imaging to determine actual landscaped areas for every individually metered residential customer. The assigned landscaped area is the actual landscaped area for your home, limited to 10,000 square feet. Please review the square footage value assigned to your property to verify it reflects the actual landscaped area.

**Valencia Water Company**  
24631 Avenue Rockefeller  
Valencia, CA 91355  
Call or Pay by Phone: (661) 294-0828

**Bill Period** 03/02/2011 - 03/04/2011  
**Name** MARY CUSTOMER  
**Location Address** 123 MAIN STREET, VALENCIA, CA 91355  
**Meter** 0000000 621 645 24  
**Units CCF** 0 30 39 24  
**Usage** 6,732 22,440 29,172 17,862

**Days This Period** 03  
**Invoice Date** 03/02/2011  
**Invoice #** 018185133  
**Cycle** 777

**Water Use Was:** Efficient  
**Assigned Landscaped Area in SF:** 8,533  
**YOUR WATER USAGE HISTORY IN CCF**

**1) Outdoor irrigation allocations are calculated using local real-time weather and your assigned landscaped area. For a complete explanation go to [www.valenciawater.com/consumereducation/irrigation.asp](http://www.valenciawater.com/consumereducation/irrigation.asp) or call at (661) 294-0828 for information on Valencia Residents.**

**Account Number** XXXXXXXXX  
**Total Amount Due** \$44.30  
**Current Charges Due** 04/20/2011

Manage and pay your account at [valenciawater.com](http://valenciawater.com)

**General Water Usage Detail**

Rate Tier	% Of Allocation	Price Per/Unit	Billed Usage	Cost of	
Super Efficient	100% of Indoor	1,144	9.00	\$10.30	
Efficient	100% of Outdoor	1,362	15.00	\$20.43	
Inefficient	101-150%	1,703	0.00	\$0.00	
Excessive	151-200%	2,214	0.00	\$0.00	
Wasteful	Over 200%	2,878	0.00	\$0.00	
<b>Total General Water Usage Charge</b>				24.00	\$30.73

**Recent Activity**

	Prior Balance	Payments	Balance Forward
	\$45.58		\$45.58
<b>Current Charges</b>			
3/4 INCH RES METER		13.72	
GENERAL WTR USAGE CHARGE		20.73	
BAL ACCT SROCHG (\$5.00/CCF)		0.22	
WTR QTY SURCHDIT		-1.06	
LIRA SURCHARGE		0.04	
PUC SURCHARGE		0.65	
<b>Total Current Charges</b>		<b>\$44.30</b>	

**Balance Forward** \$0.00  
**Current Charges** \$44.30  
**Current Charges Due** 04/20/2011  
**Total Amount Due** \$44.30

**Payment Options**

Go Green with paperless e-billing service and sign up for recurring Direct Payment at [valenciawater.com](http://valenciawater.com)

**Valencia Water Company**  
24631 Avenue Rockefeller  
Valencia, CA 91355  
(661) 294-0828

**MARY CUSTOMER**  
123 MAIN STREET  
VALENCIA, CA 91355

**Valencia Water Company**  
PO Box 51106  
Los Angeles, CA 90051-5106

**IMPORTANT NOTICE:** Please check and verify that the information applied to your Water Smart Allocation is accurate and up to date. Indoor allocations are set at 4 percent per tier, while outdoor allocations are based on publicly available aerial images of your property. The assigned square footage for your landscaped area is located on the upper section of your bill, directly above the water consumption chart. If the information listed for your account is inaccurate, visit [www.valenciawater.com](http://www.valenciawater.com) or call (661) 294-0828 for information on Valencia Residents.

**Go Green with paperless e-billing service and sign up for recurring Direct Payment at [valenciawater.com](http://valenciawater.com)**

**Payment Options**

Account Number XXXXXXXXX  
Invoice Date 03/02/2011  
Location Address 123 MAIN STREET  
Current Billing Period 03/02/2011 - 03/04/2011

Balance Forward	Current Charges Due	Current Charges	Total Balance Due
\$0.00	04/20/2011	\$44.30	\$44.30
Amount Paid			Please use only due or black ink when writing a check.

To change mailing address, check here and fill out back

**Low-Income Ratepayer Assistance (LIRA) Program**  
Valencia Water Company has a LIRA Program whereby qualifying customers can receive a discount on the monthly service charge on their water bill. For details, please contact our Customer Service Department at (661) 294-0828, or visit our website at [valenciawater.com](http://valenciawater.com) to download the LIRA application form.

**Military Family Relief Program**  
Valencia Water Company has implemented a Military Family Relief Program which provides water utility service shutoff protection for a 180 day period to families of service members who are called to active duty. For more information, please contact our office at (661) 294-0828.



# More Efforts:

- Rigorous training for Customer Service
- Quick response
  - Personal visits to homes
- Customer testimonials

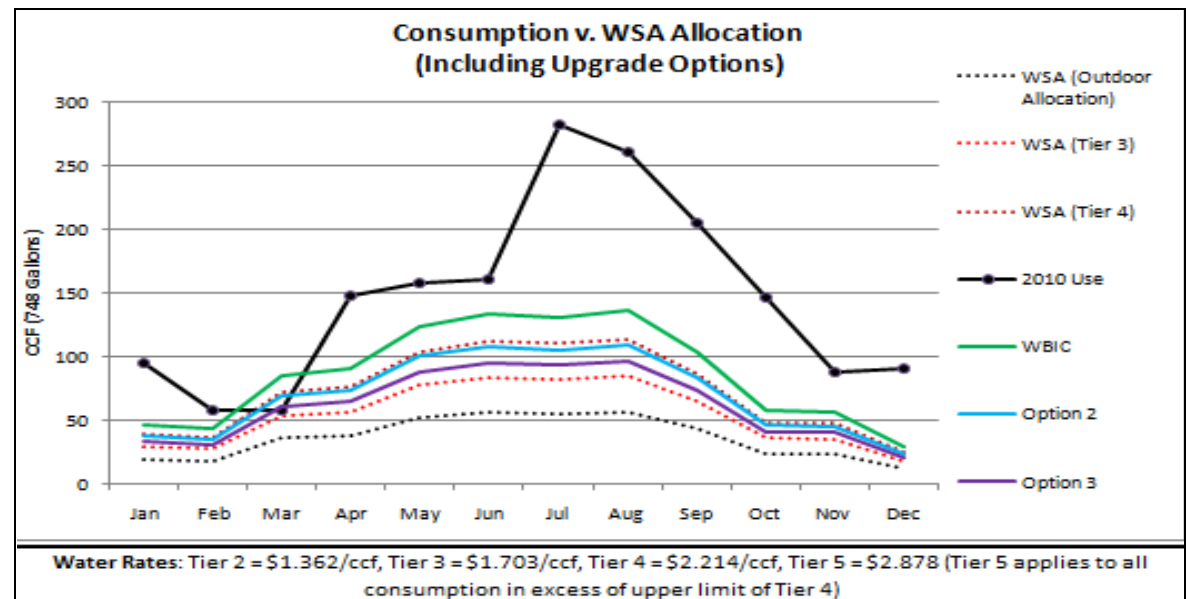


# Continuous Outreach – Targeted Market

## High Impact Customer Outreach

Customers with large landscapes, high consumption offered:

- Residential Water Check-Up
- WBIC information
- Assessments on irrigation improvement, turf conversion



Cost per Tier	\$ 593.94	\$ 370.94	\$ 452.94	\$ 1,970.94	Savings Estimate (\$)	\$ 1,460	\$ 2,019	\$ 2,237
WSA Tiers	Outdoor Allocation	3	4	5				
Current Irrigation Operating Costs	<b>\$ 3,388.16</b>				With Upgrades	\$ 1,928	\$ 1,369	\$ 1,151

# Continuous Outreach – Targeted Market

## Abnormally Hi/Lo vs. Allocation

### Monthly Hi/Lo Usage Report

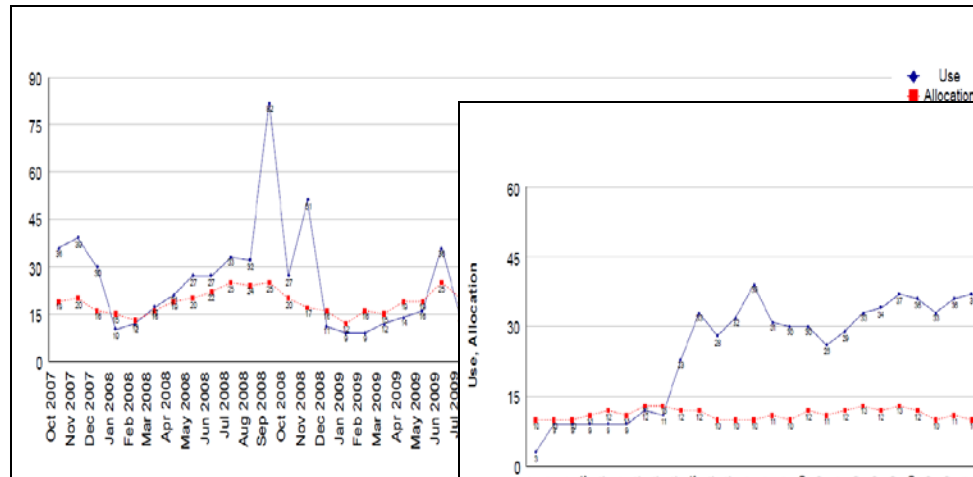
Enables Conservation to identify customers with abnormal or persistent high consumption and offer assistance

High/Low Consumption

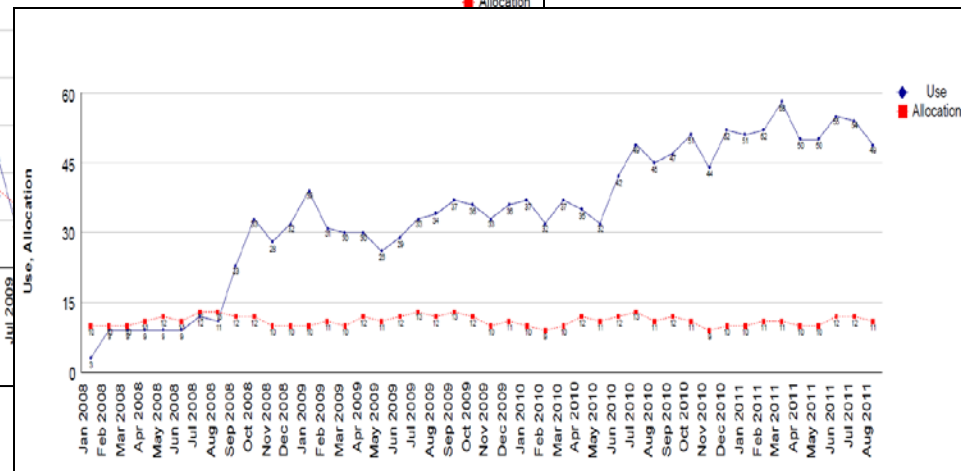
Low %  Start Date

High %  End Date

HIGHLOW_CONS	ACCOUNT_NUMBER
OK	24,052
Low%	918
High%	496
Summary	25,466



Abnormal – Spike



Persistent High Use



# Continuous Outreach Efforts

- New/Improved Conservation Programs
  - **HELIUM** Rebate Program (High Efficiency Landscape Irrigation Upgrade Measures)
  - High Consumption Notification
  - Specialized Residential Audits
    - Complete Audit (Indoor and Outdoor)
    - Irrigation Only Audit
    - Leak Detection Assistance



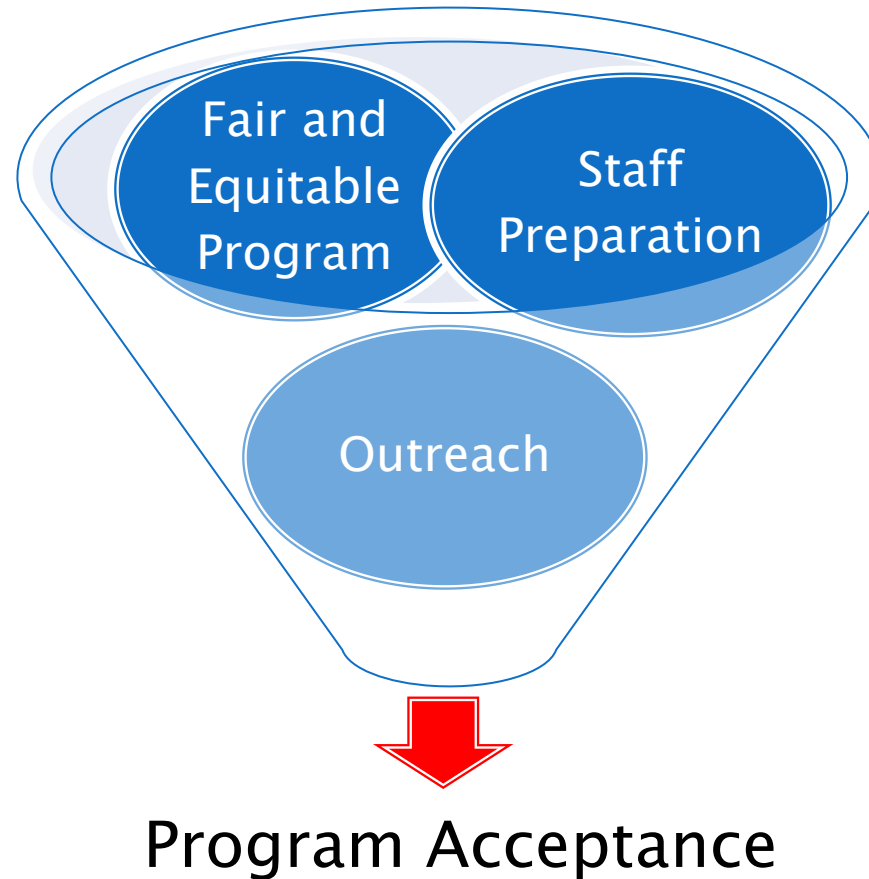


# Water SMART Stats–2011

	January	February	March	April	May
WS Inquiry Calls	24	35	40	26	14
WS Rate Complaints	–	0	0	0	0
WS Tier Names Compl	–	0	1	0	1
Indoor Variance	2	13	0	8	3
Outdoor Variance	1	2	1	0	6
CPUC Complaints	–	1	1	0	0
WS Full Water Audit	–	7	17	10	1
WS Leak Audit	–	0	0	2	0

2010 had total of 30 total WS Calls

# Summary of Water SMART Allocation Program Philosophy



# Questions

- ▶ Matthew S. Dickens
- ▶ Valencia Water Company
- ▶ (661) 295-6543
- ▶ [mdickens@valenciawater.com](mailto:mdickens@valenciawater.com)
  
- ▶ Denis Wolcott
- ▶ (213) 200-1563
- ▶ [denis@thewolcottcompany.com](mailto:denis@thewolcottcompany.com)

