



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Cohen and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Jim Arndt, Public Works Director

DATE: September 1, 2009

SUBJECT: Establishment of Water and Sewer Rates and Rates Structure for 2010-2014; Implementation of Proposition 218 Protest Provision; and Setting of a Public Hearing October 6, 2009.

RECOMMENDATION:

Staff recommends that Council: Choose a level of System Reinvestment Funding; Implement/Adopt a five –year series of water and sewer rate increases effective each January 1, beginning in 2010; Implement a Proposition 218 Protest Provision voting process; Establish October 6, 2009 as the date for a Public Hearing on the rate increases.

FISCAL IMPLICATION:

For the next five years, both water and sewer rates would be increased. Although actual rates paid by users will vary and are based on water used, rates in 2010 for the median of all users would increase between \$2.02 - \$8.16 /month for water, and \$5.04 - \$6.57 /month for sewer, dependent on the rate scenario selected by the Council.

BACKGROUND:

At their July 28, 2009 Council Study Session, Council received reports and presentations about both the Water and Sewer Infrastructure and Water and Sewer Revenue Needs.

In the report on the infrastructure, it was reported that the City has an aging infrastructure system that requires a significant investment to assure sustainability for future users. As noted in the AKM report, a great percentage of both the water and sewer system exceed 55 years in age. The City has depreciated half of the estimated \$500,000,000 cost to replace the system, in other words, “using up” \$250,000,000 of the infrastructure value. Rate increases would allow a reinvestment in the system over the next 20 years varying between \$108,000,000 - \$130,000,000 dependent upon the rate scenario selected. Current rates would fund about \$10,000,000 for water and no funding for sewer infrastructure over the same time period.

In addition to infrastructure needs, the Water Utility has two other significant issues that place demands on future water rates. Water rates are impacted by the increase in water cost imposed by

West Basin Municipal Water District (WBMWD) beginning September 1, 2009 and likely to continue with successive similar rate increases of 20% for several years. Second, implementation of new Utility fiscal policies will require establishing a Rate Stabilization Reserve to help buffer fluctuations in rate revenue, as well as an Operating Reserve for cash flow of the utility. In the revised rate Ordinance, water rates also would be increased automatically to match any WBMWD increases that exceed those assumed in the five year rates. Additionally, tier usage levels would be decreased over five years to reflect the City's goal of a further reduction in consumption.

The Sewer Utility has issues impacting rates including a current revenue-to-expense deficiency and an infrastructure deficiency similar to the water deficiency.

DISCUSSION:

At their July 28 meeting, Council:

- Agreed to the concept of meeting target reserve and system reinvestment goals by the end of five years.
- Asked staff to present more options for rate increases that either slowed/sped up the rate increases over the five year period.
- Asked staff to present rate options that increased the annual water infrastructure contribution from four to five million dollars annually.

Included are five scenarios and attachments (includes water and sewer revenue requirements, neighborhood rate comparisons, and rate scenarios) that address Council direction. The highlights of each water rate scenario (sewer is the same for all scenarios) are as follows:

1. Scenario 1: This is the recommended scenario from the previous July 28 Study Session. It reaches \$4,000,000 water CIP in year five with equal increases beginning in the first year. Total CIP spending in five years is \$12,152,500
2. Scenario 2: Reaches \$4,000,000 water CIP in year five with slower ramp up of CIP spending, resulting in slightly lower rate increases at the beginning of the five year rate increase. Total CIP spending in five years is \$10,800,000.
3. Scenario 3: Reaches \$4,000,000 water CIP in year four with faster ramp up of CIP spending, resulting in higher rate increases that match Scenario 1 for the first two years, but continue the higher rate over the last three years. Total CIP in five years is \$14,000,000.
4. Scenario 4: Reaches \$5,000,000 water CIP in year five with equal increases beginning in first year. Total CIP spending in five years is \$15,000,000.
5. Scenario 5: Reaches \$5,000,000 water CIP in year four. Highest rate increase for first two years of any scenario. Total CIP in five years is \$17,500,000.

The various scenarios have different impacts on speed with which rates increase, total available for system reinvestment (CIP) over the initial five years, as well as the rates themselves. The Environmental Task Force Water subcommittee strongly recommended a tiered rate structure to incent water conservation through pricing and they are included in all five scenarios.

Once the City Council determines the appropriate rate structure, the proposed increases are subject to a Proposition 218 protest vote (see Government Code section 53753.5). This process requires a mailed notice to each prospective rate payer of the proposed rate increase, followed by

a public hearing within forty-five days of the mailing. Unless protests are received from a majority of rate payers, the City Council may adopt the rate increases by a majority vote. If the Council selects a rate structure on September 1, the notices will go out no later than the week of September 7th, and the public hearing will be held at the October 6, 2009 City Council meeting. Any postponement in rate selection will result in the public hearing being delayed accordingly. New rates are recommended to become effective with bills sent out on or after January 1, 2010. As a reminder, the new West Basin Municipal Water District rates charged to the City for wholesale water become effective on September 1, 2009.

CONCLUSION:

It is recommended that the City increase water and sewer rates in order that all operating expenses may be covered and System Reinvestment can be increased to replace aging infrastructure. Direction is requested of Council in determining the amount of increased revenue to be raised and the rate structure to be used.

Once the appropriate water and wastewater rates are determined by the City Council, the process of officially setting the rates will commence. The proposed increases are subject to Proposition 218 protest vote procedures (Government Code section 53753.5). A Public Hearing date of October 16, 2009 is recommended. Unless protests are received from a majority of rate payers, the City Council may then adopt the rate increases by a majority vote.

Attachments: Rate Scenarios 1-5

cc: Bruce Moe, Finance Director
Robert Wadden, City Attorney

Manhattan Beach Updated Rate Scenarios

September 1, 2009

COUNCIL MEETING Water Revenue Plan: January 1, 2010 Implementation
Scenario #1 (Original)



Summary of Water Revenue Requirements	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	10%	10%	15%	20%
Rate Stabilization Reserve - Balance	\$ 870,000	\$ 1,116,765	\$ 1,388,673	\$ 2,442,802	\$ 3,582,776
System Reinvestment - % of Target	22%	41%	61%	80%	100%
System Reinvestment - R&R Capital Funding	\$ 861,000	\$ 1,645,750	\$ 2,430,500	\$ 3,215,250	\$ 4,000,000
Operating Reserve - Beginning Balance	\$ 4,750,327	\$ 2,731,259	\$ 1,944,303	\$ 1,627,656	\$ 1,704,059
Operating Reserve - Ending Balance	\$ 2,731,259	\$ 1,944,303	\$ 1,627,656	\$ 1,704,059	\$ 2,043,100
Operating Reserve - # of days of Operating Expenses	117	87	67	61	65
Revenues					
Water Rate Revenue (Current Rates)	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000
Other Operating Revenue	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800
Non-Operating Revenue	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988
Interest Earnings Operating Reserve	\$ 56,788	\$ 54,625	\$ 38,886	\$ 32,553	\$ 34,081
Total	\$ 7,736,576	\$ 7,734,413	\$ 7,718,674	\$ 7,712,341	\$ 7,713,869
Revenues From Rate Increases	\$ 1,120,500	\$ 3,697,650	\$ 6,416,730	\$ 8,815,347	\$ 10,387,072
Total Projected Revenues w/ Rate Increase:	\$ 8,857,076	\$ 11,432,063	\$ 14,135,404	\$ 16,527,688	\$ 18,100,942
Expenses					
Operating Expenses	\$ 4,077,122	\$ 4,305,832	\$ 4,566,697	\$ 4,796,318	\$ 5,038,701
MWD Water Purchases	\$ 4,854,708	\$ 5,825,650	\$ 6,990,780	\$ 7,200,503	\$ 7,416,518
Debt Service	\$ 213,314	\$ 212,422	\$ 214,502	\$ 212,859	\$ 215,563
Rate-Funded System Reinvestment	\$ 861,000	\$ 1,645,750	\$ 2,430,500	\$ 3,215,250	\$ 4,000,000
Subtotal:	\$ 10,006,144	\$ 11,989,654	\$ 14,202,479	\$ 15,424,930	\$ 16,670,782
Additions(Subtractions) to(from) Operating Reserve	\$ (2,019,068)	\$ (786,956)	\$ (316,647)	\$ 76,403	\$ 339,041
Additions to Rate Stabilization Reserve	\$ 870,000	\$ 229,365	\$ 249,573	\$ 1,026,356	\$ -
Total:	\$ 8,857,076	\$ 11,432,063	\$ 14,135,404	\$ 16,527,688	\$ 17,009,823
Test Driving Rate Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	15.0%	30.0%	24.3%	17.3%	9.7%
Caldendar Year Rate Increase (January 1)	30.0%	30.0%	20.0%	15.0%	5.0%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Rates



Scenario 1 (Original) – Water Rates (Tier 1: 0-7 ccf)

Current Water Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	10.73
1"	\$	21.46
1 1/2"	\$	32.19
2"	\$	42.92
3"	\$	107.30
4"	\$	136.26
6"	\$	204.95
8"	\$	283.25
10"	\$	375.54
Volume (per ccf)	\$	1.83

Current Reclaimed Rate	
(per ccf)	\$ 0.85

Current Fireline Rates	
	Fireline
2"	\$10.00
3"	\$15.00
4"	\$20.00
6"	\$30.00
8"	\$40.00
10"	\$50.00
(per ccf)	\$ 1.94

	Proposed Scenario 1 Rates - Jan. 1, 2010			
	Monthly Fixed	Monthly Thresholds (ccf)		
		Tier 1 0 - 7	Tier 2 8 - 30	Tier 3 31 +
5/8" or 3/4"	\$ 11.29	\$ 2.00	\$ 2.77	\$ 4.48
1"	\$ 21.46	\$ 2.00	\$ 2.77	\$ 4.48
1 1/2"	\$ 32.19	\$ 2.53	(All Usage)	
2"	\$ 42.92	\$ 2.53	(All Usage)	
3"	\$ 107.30	\$ 2.53	(All Usage)	
4"	\$ 136.26	\$ 2.53	(All Usage)	
6"	\$ 204.95	\$ 2.53	(All Usage)	
8"	\$ 309.31	\$ 2.53	(All Usage)	
10"	\$ 441.34	\$ 2.53	(All Usage)	

Reclaimed Rate: January 1, 2010	
(per ccf)	\$1.61

Fireline Rates: January 1, 2010	
	Fireline
	Fixed
2"	\$ 12.04
3"	\$ 16.57
4"	\$ 21.66
6"	\$ 35.81
8"	\$ 52.78
10"	\$ 72.59
(per ccf)	\$ 4.48

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Water Bill Impacts – Scenario #1 (Original)

Water Bill Impacts - Scenario 1 (Original) (Tier 0-7 ccf)							
	Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed Rates	Monthly Bill Increase (Decrease)	Annual Increase (%)	Number of Customers	% of Total
5/8"	25%	4	\$ 18.05	\$ 19.29	\$ 1.24	6.9%	2945 22.4%
		7	\$ 23.54	\$ 25.30	\$ 1.76	7.5%	
	Median	8	\$ 25.37	\$ 28.07	\$ 2.70	10.6%	
	Average	11	\$ 30.86	\$ 36.37	\$ 5.51	17.8%	
		31	\$ 67.46	\$ 93.41	\$ 25.95	38.5%	
		40	\$ 83.93	\$ 133.73	\$ 49.80	59.3%	
		40	\$ 83.93	\$ 133.73	\$ 49.80	59.3%	
3/4"	25%	4	\$ 18.05	\$ 19.29	\$ 1.24	6.9%	6091 46.3%
		7	\$ 23.54	\$ 25.30	\$ 1.76	7.5%	
		8	\$ 25.37	\$ 28.07	\$ 2.70	10.6%	
	Median	12	\$ 32.69	\$ 39.13	\$ 6.44	19.7%	
		31	\$ 67.46	\$ 93.41	\$ 25.95	38.5%	
		40	\$ 83.93	\$ 133.73	\$ 49.80	59.3%	
		40	\$ 83.93	\$ 133.73	\$ 49.80	59.3%	
1"	25%	4	\$ 28.78	\$ 29.47	\$ 0.69	2.4%	3502 26.6%
		7	\$ 34.27	\$ 35.47	\$ 1.20	3.5%	
		8	\$ 36.10	\$ 38.24	\$ 2.14	5.9%	
	Median	13	\$ 45.25	\$ 52.07	\$ 6.82	15.1%	
	90%	31	\$ 78.19	\$ 103.58	\$ 25.39	32.5%	
		40	\$ 94.66	\$ 143.90	\$ 49.24	52.0%	
		40	\$ 94.66	\$ 143.90	\$ 49.24	52.0%	

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Summary of Sewer Revenue Requirements	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	15%	15%	20%	20%
Rate Stabilization Reserve - Balance	\$ 188,769	\$ 428,625	\$ 500,063	\$ 733,425	\$ 787,559
System Reinvestment - % of Target	0%	50%	75%	75%	100%
System Reinvestment - R&R Capital Funding	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Capital Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Operating Reserve - Beginning Balance	\$ (255,480)	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828
Operating Reserve - Ending Balance	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828	\$ 190,426
Operating Reserve - # of days of Operating Expenses	53	64	67	102	49
Revenues					
Sewer Rate Revenue	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000
Other Operating Revenue	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
Interest Earnings Operating Reserve	\$ 1,500	\$ 3,559	\$ 4,464	\$ 4,845	\$ 7,657
Total	\$ 1,309,500	\$ 1,311,559	\$ 1,312,464	\$ 1,312,845	\$ 1,315,657
Revenues From Rate Increases	\$ 635,000	\$ 1,587,500	\$ 2,063,750	\$ 2,397,125	\$ 2,667,794
Total Projected Revenues w/ Rate Increase:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Expenses					
Operating Expenses	\$ 1,216,006	\$ 1,263,221	\$ 1,313,750	\$ 1,366,300	\$ 1,420,952
Existing Debt Service	\$ 106,318	\$ 104,508	\$ 105,532	\$ 104,722	\$ 105,654
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Capital Project Funding From User Fees	\$ -	\$ -	\$ -	\$ -	\$ -
System Reinvestment Expense	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Subtotal:	\$ 1,322,324	\$ 2,617,729	\$ 3,294,282	\$ 3,346,022	\$ 4,026,606
Additions(Subtractions) to(from) Operating Reserve	\$ 433,407	\$ 45,248	\$ 19,066	\$ 140,586	\$ (192,402)
Additions to Rate Stabilization Reserve	\$ 188,769	\$ 236,081	\$ 62,865	\$ 223,361	\$ 39,465
Additions to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Total:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Test Driving Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	50.0%	50.0%	16.7%	10.0%	7.4%
Calendar Year Rate Increase (January 1)	100.0%	25.0%	10.0%	10.0%	5.0%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Sewer Rates

Current Sewer Rates	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 1.66
1"	\$ 3.32
1 1/2"	\$ 4.98
2"	\$ 6.64
3"	\$ 16.60
4"	\$ 21.07
6"	\$ 31.69
8"	\$ 43.81
10"	\$ 58.07
Volume (per ccf)	\$ 0.40

Proposed Sewer Rates

Proposed Sewer Rates: Jan. 1, 2010	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 3.50
1"	\$ 4.90
1 1/2"	\$ 7.23
2"	\$ 10.03
3"	\$ 17.49
4"	\$ 25.88
6"	\$ 49.19
8"	\$ 77.17
10"	\$ 109.80
Volume (per ccf)	\$ 0.80

Sewer Bill Impacts

		Sewer Bill Impacts						
		Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed 2010 Rates	Monthly Bill Increase (Decrease)	Bill Increase (%)	Number of Customers	% of Total
5/8"	25%	4	\$ 3.26	\$ 6.70	\$ 3.44	105.5%	2934	22.5%
	Median	8	\$ 4.86	\$ 9.90	\$ 5.04	103.6%		
	Average	11	\$ 5.86	\$ 11.89	\$ 6.03	103.0%		
	90%	21	\$ 10.06	\$ 20.28	\$ 10.22	101.6%		
3/4"	25%	7	\$ 4.46	\$ 9.10	\$ 4.64	104.0%	6073	46.5%
	Median	12	\$ 6.46	\$ 13.09	\$ 6.63	102.7%		
	Average	14	\$ 7.26	\$ 14.69	\$ 7.43	102.3%		
	90%	26	\$ 11.86	\$ 23.88	\$ 12.02	101.3%		
1"	25%	7	\$ 5.92	\$ 10.10	\$ 4.18	70.5%	3485	26.7%
	Median	13	\$ 8.32	\$ 14.89	\$ 6.57	79.0%		
	Average	16	\$ 9.52	\$ 17.29	\$ 7.77	81.6%		
	90%	30	\$ 15.12	\$ 28.47	\$ 13.35	88.3%		





Manhattan Beach Updated Rate Scenarios

September 1, 2009

Combined Water & Sewer Rate Impacts – Scenario 1 (Original)

Scenario 1 (Original)	2009	2010	2011	2012	2013	2014
Utility Bill Impacts*						
Median Monthly Water Bill: (3/4" meter)	\$32.69	\$39.13	\$51.49	\$61.33	\$70.08	\$73.32
Median Monthly Sewer Bill: (3/4" meter)	\$6.46	\$13.09	\$16.36	\$18.00	\$19.80	\$20.79
Total Monthly Utility Bill:	\$39.15	\$52.22	\$67.86	\$79.33	\$89.88	\$94.11
Annual Increase (%)		33.4%	29.9%	16.9%	13.3%	4.7%

Monthly Utility Bill w/ 10% Reduction:**	\$39.15	\$45.07	\$62.17	\$72.56	\$82.22	\$86.11
Annual Increase (%)		15.1%	37.9%	16.7%	13.3%	4.7%

**FY 2009/10 Reflects Jan. 1, 2010 Implementation*
***2010 and Beyond Reflect Achievement of 10% Curtailment Goal*

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Water Scenario 1 Neighborhood Comparison

Community	Meter Size	Meter Charge	Monthly Consumption (ccf)	Tiers	Volume Charge	Monthly Bill
Santa Monica	Single Family	None	12	Tier 1 (0 - 14 ccf) Tier 2 (15 - 40 ccf) Tier 3 (41 - 148 ccf) Tier 4 (149+ ccf)	\$ 1.65 \$ 2.47 \$ 3.70 \$ 5.78	\$ 19.80
Huntington Beach	5/8" or 3/4"	\$ 10.75	12	All Usage	\$ 1.56	\$ 29.44
El Segundo	5/8" x 3/4"	\$ 11.26	12	Tier 1 (2 ccf) Tier 2 (3-5 ccf) Tier 3 (6-10 ccf) Tier 4 (11+ ccf)	\$ 1.51 \$ 1.67 \$ 1.75 \$ 1.83	\$ 31.69
Manhattan Beach - Scenario 1 (Original)	5/8" & 3/4"	\$ 11.29	12	Tier 1 (0-7 ccf) Tier 2 (8 - 30 ccf) Tier 3 (31+ ccf)	\$ 2.00 \$ 2.77 \$ 4.48	\$ 39.13
Hermosa Beach, Redondo Beach	3/4"	12.97	12	Tier 1 (0 - 10 ccf) Tier 2 (11 - 16 ccf) Tier 3 (17+ ccf)	\$ 2.16 \$ 2.73 \$ 3.21	\$ 40.00
Claremont, Pomona, Cypress, Los Alamitos, Placentia, Seal Beach, Stanton, San Dimas, Arcadia	3/4"	\$ 22.70	12	Tier 1 (0 - 12 ccf) Tier 2 (13+ ccf)	\$ 2.15 \$ 2.47	\$ 48.48
Palos Verdes, Rolling Hills, Lomita, Rancho Palos Verdes	3/4"	17.67	12	Tier 1 (0 - 15 ccf) Tier 2 (16 - 36 ccf) Tier 3 (37+ ccf)	\$ 2.61 \$ 2.80 \$ 3.36	\$ 49.05
Carson, Los Angeles, Long Beach	3/4"	17.67	12	Tier 1 (0 - 15 ccf) Tier 2 (16 - 36 ccf) Tier 3 (37+ ccf)	\$ 2.61 \$ 2.80 \$ 3.36	\$ 49.05
Cerritos, Compton, Culver City, Gardena, Hawthorne, Inglewood	3/4"	\$ 18.65	12	Tier 1 (0 - 16 ccf) Tier 2 (17+ ccf)	\$ 2.69 \$ 3.10	\$ 50.95

Sewer Neighborhood Comparison

Community	Meter Size	Meter Charge	Monthly Consumption (ccf)	Tiers	Volume Charge	Monthly Bill
Manhattan Beach	5/8" and 3/4"	\$ 3.50	12	All Usage	\$ 0.80	\$ 13.09
El Segundo	5/8" and 3/4"	\$ 4.49	12	All Usage	\$ 0.50	\$ 10.49
Redondo Beach	Single Family	\$ 7.00	Flat Fee	None	None	\$ 7.00
Santa Monica	5/8" & 3/4"	\$ 4.75	12	51% of usage, at \$2.94 per ccf		\$ 22.74
Huntington Beach	5/8" or 3/4"	\$ 5.30	Flat Fee	None		\$ 5.30
Seal Beach	Single Family	\$ 4.68	Flat Fee	None		\$ 10.51
	22% of Water + Capital Fee	\$ 5.83				
	Master Plan Fee					

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bill Impacts – Scenario 1 (Original)



Large Users:	Usage (ccf)	Existing Monthly Bill	Proposed FY 2009/10 Monthly Bill	Monthly Bill Increase (Decrease)	Bill Increase (%)
# 1 6" Northrop Meter	9874.42	\$ 18,275.13	\$ 25,171.89	\$ 6,896.76	37.7%
# 2 10" Northrop Meter	6066.92	\$ 11,478.00	\$ 15,781.22	\$ 4,303.22	37.5%
# 3 8" Hotel Meter	2034.67	\$ 4,006.69	\$ 5,453.85	\$ 1,447.16	36.1%
# 4 4" Hotel Meter	1670.08	\$ 3,192.51	\$ 4,358.98	\$ 1,166.47	36.5%
# 5 2" LA County Meter	866.75	\$ 1,629.07	\$ 2,234.45	\$ 605.38	37.2%
# 6 2" Business Meter	831.917	\$ 1,565.33	\$ 2,146.38	\$ 581.05	37.1%
# 7 3" Business Meter	674.75	\$ 1,342.09	\$ 1,813.37	\$ 471.28	35.1%
# 8 2" Car Wash Meter	610.667	\$ 1,160.44	\$ 1,586.96	\$ 426.52	36.8%
# 9 2" Mall Meter	523.5	\$ 1,000.93	\$ 1,366.56	\$ 365.64	36.5%
# 10 4" Business Meter	509.917	\$ 1,069.41	\$ 1,425.56	\$ 356.15	33.3%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bills (Sewer)



	Usage (ccf)	Existing Monthly Bill	Proposed 2010 Monthly Bill	Monthly Bill Increase (Decrease)	Monthly Increase (%)
#1 6" Northrop Meter	9874	\$ 3,981.46	\$ 7,939.63	\$ 3,958.17	99.4%
#2 10" Northrop Meter	6067	\$ 2,484.84	\$ 4,957.75	\$ 2,472.91	99.5%
#3 8" Hotel Meter	2035	\$ 857.67	\$ 1,703.02	\$ 845.35	98.6%
#4 4" Hotel Meter	1670	\$ 689.10	\$ 1,360.41	\$ 671.31	97.4%
#5 2" LA County Meter	867	\$ 353.34	\$ 702.63	\$ 349.30	98.9%
#6 2" Business Meter	832	\$ 339.40	\$ 674.80	\$ 335.40	98.8%
#7 3" Business Meter	675	\$ 286.50	\$ 556.67	\$ 270.17	94.3%
#8 2" Car Wash Meter	611	\$ 250.90	\$ 498.00	\$ 247.10	98.5%
#9 2" Mall Meter	524	\$ 216.04	\$ 428.35	\$ 212.31	98.3%
#10 4" Business Meter	510	\$ 225.04	\$ 433.35	\$ 208.31	92.6%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Subsequent Year Water Rate Schedules



Proposed Scenario 1 (Original)				
Rates - Jan. 1, 2011		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 28	Tier 3 29 +
5/8" or 3/4"	\$ 13.66	\$ 2.73	\$ 3.74	\$5.99
1"	\$ 21.46	\$ 2.73	\$ 3.74	\$5.99
1 1/2"	\$ 33.16	\$ 3.45	(All Usage)	
2"	\$ 47.80	\$ 3.45	(All Usage)	
3"	\$107.30	\$ 3.45	(All Usage)	
4"	\$136.26	\$ 3.45	(All Usage)	
6"	\$252.63	\$ 3.45	(All Usage)	
8"	\$398.95	\$ 3.45	(All Usage)	
10"	\$569.64	\$ 3.45	(All Usage)	

Proposed Scenario 1 (Original)				
Rates - Jan. 1, 2012		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 27	Tier 3 28 +
5/8" or 3/4"	\$ 15.29	\$ 3.33	\$ 4.55	\$7.28
1"	\$ 24.02	\$ 3.33	\$ 4.55	\$7.28
1 1/2"	\$ 38.56	\$ 4.21	(All Usage)	
2"	\$ 56.01	\$ 4.21	(All Usage)	
3"	\$ 107.30	\$ 4.21	(All Usage)	
4"	\$ 154.90	\$ 4.21	(All Usage)	
6"	\$ 300.33	\$ 4.21	(All Usage)	
8"	\$ 474.84	\$ 4.21	(All Usage)	
10"	\$ 678.44	\$ 4.21	(All Usage)	

Proposed Scenario 1 (Original)				
Rates - Jan. 1, 2013		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 25	Tier 3 26 +
5/8" or 3/4"	\$ 17.67	\$ 3.79	\$ 5.18	\$8.28
1"	\$ 27.71	\$ 3.79	\$ 5.18	\$8.28
1 1/2"	\$ 44.44	\$ 4.84	(All Usage)	
2"	\$ 64.52	\$ 4.84	(All Usage)	
3"	\$ 118.06	\$ 4.84	(All Usage)	
4"	\$ 178.29	\$ 4.84	(All Usage)	
6"	\$ 345.60	\$ 4.84	(All Usage)	
8"	\$ 546.38	\$ 4.84	(All Usage)	
10"	\$ 780.61	\$ 4.84	(All Usage)	

Proposed Scenario 1 (Original)				
Rates - Jan. 1, 2014		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 24	Tier 3 25 +
5/8" or 3/4"	\$ 18.65	\$ 3.95	\$ 5.40	\$8.64
1"	\$ 29.19	\$ 3.95	\$ 5.40	\$8.64
1 1/2"	\$ 46.77	\$ 5.08	(All Usage)	
2"	\$ 67.86	\$ 5.08	(All Usage)	
3"	\$ 124.10	\$ 5.08	(All Usage)	
4"	\$ 187.37	\$ 5.08	(All Usage)	
6"	\$ 363.12	\$ 5.08	(All Usage)	
8"	\$ 574.02	\$ 5.08	(All Usage)	
10"	\$ 820.08	\$ 5.08	(All Usage)	

Subsequent Year Sewer Rate Schedules

Manhattan Beach Updated Rate Scenarios

September 1, 2009



FYE 2011 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.38
1"	\$	6.13
1 1/2"	\$	9.04
2"	\$	12.54
3"	\$	21.86
4"	\$	32.35
6"	\$	61.49
8"	\$	96.46
10"	\$	137.25
Volume (per ccf)	\$	1.00

FYE 2012 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.82
1"	\$	6.74
1 1/2"	\$	9.95
2"	\$	13.79
3"	\$	24.05
4"	\$	35.59
6"	\$	67.64
8"	\$	106.10
10"	\$	150.98
Volume (per ccf)	\$	1.10

FYE 2013 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.30
1"	\$	7.41
1 1/2"	\$	10.94
2"	\$	15.17
3"	\$	26.45
4"	\$	39.15
6"	\$	74.40
8"	\$	116.71
10"	\$	166.07
Volume (per ccf)	\$	1.21

FYE 2014 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.56
1"	\$	7.78
1 1/2"	\$	11.49
2"	\$	15.93
3"	\$	27.78
4"	\$	41.10
6"	\$	78.12
8"	\$	122.55
10"	\$	174.38
Volume (per ccf)	\$	1.27

Manhattan Beach Updated Rate Scenarios

September 1, 2009

COUNCIL MEETING Water Revenue Plan: January 1, 2010 Implementation

Scenario #2 (\$4m slow)



Summary of Water Revenue Requirements	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
	2010	2011	2012	2013	2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	10%	10%	15%	20%
Rate Stabilization Reserve - Balance	\$ 870,000	\$ 1,092,488	\$ 1,306,235	\$ 2,494,863	\$ 3,775,122
System Reinvestment - % of Target	20%	25%	50%	75%	100%
System Reinvestment - R&R Capital Funding	\$ 800,000	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000	\$ 4,000,000
Operating Reserve - Beginning Balance	\$ 4,750,327	\$ 2,605,509	\$ 1,823,103	\$ 1,236,336	\$ 1,512,242
Operating Reserve - Ending Balance	\$ 2,605,509	\$ 1,823,103	\$ 1,236,336	\$ 1,512,242	\$ 2,544,369
Operating Reserve - # of days of Operating Expenses	111	81	51	54	80
Revenues					
Water Rate Revenue (Current Rates)	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000
Other Operating Revenue	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800
Non-Operating Revenue	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988
Interest Earnings Operating Reserve	\$ 56,788	\$ 52,110	\$ 36,462	\$ 24,727	\$ 30,245
Total	\$ 7,736,576	\$ 7,731,898	\$ 7,716,250	\$ 7,704,515	\$ 7,710,033
Revenues From Rate Increases	\$ 933,750	\$ 3,034,688	\$ 5,660,859	\$ 8,943,574	\$ 11,223,237
Total Projected Revenues w/ Rate Increase:	\$ 8,670,326	\$ 10,766,586	\$ 13,377,109	\$ 16,648,089	\$ 18,933,270
Expenses					
Operating Expenses	\$ 4,077,122	\$ 4,305,832	\$ 4,566,697	\$ 4,796,318	\$ 5,038,701
MWD Water Purchases	\$ 4,854,708	\$ 5,825,650	\$ 6,990,780	\$ 7,200,503	\$ 7,416,518
Debt Service	\$ 213,314	\$ 212,422	\$ 214,502	\$ 212,859	\$ 215,563
Rate-Funded System Reinvestment	\$ 800,000	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000	\$ 4,000,000
Subtotal:	\$ 9,945,144	\$ 11,343,904	\$ 13,771,979	\$ 15,209,680	\$ 16,670,782
Additions(Subtractions) to(from) Operating Reserve	\$ (2,144,818)	\$ (782,406)	\$ (586,767)	\$ 275,906	\$ 1,032,127
Additions to Rate Stabilization Reserve	\$ 870,000	\$ 205,088	\$ 191,898	\$ 1,162,504	\$ -
Total:	\$ 8,670,326	\$ 10,766,586	\$ 13,377,109	\$ 16,648,089	\$ 17,702,909
Test Driving Rate Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	12.5%	25.0%	25.0%	25.0%	13.9%
Caldendar Year Rate Increase (January 1)	25.0%	25.0%	25.0%	25.0%	5.0%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Rates

Current Water Rates	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 10.73
1"	\$ 21.46
1 1/2"	\$ 32.19
2"	\$ 42.92
3"	\$ 107.30
4"	\$ 136.26
6"	\$ 204.95
8"	\$ 283.25
10"	\$ 375.54
<hr/>	
Volume (per ccf)	\$ 1.83

Current Fireline Rates	
	Fireline
2"	\$10.00
3"	\$15.00
4"	\$20.00
6"	\$30.00
8"	\$40.00
10"	\$50.00
<hr/>	
(per ccf)	\$ 1.94

Current Reclaimed Rate	
(per ccf)	\$ 0.85



Scenario 2 (\$4m slow) – Water Rates (Tier 1: 0-7 ccf)

Proposed Scenario 2 (\$4m Slow) Rates - Jan. 1, 2010		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 30	Tier 3 31 +
5/8" or 3/4"	\$ 10.85	\$ 2.00	\$ 2.54	\$4.35
1"	\$ 21.46	\$ 2.00	\$ 2.54	\$4.35
1 1/2"	\$ 32.19	\$ 2.41	(All Usage)	
2"	\$ 42.92	\$ 2.41	(All Usage)	
3"	\$ 107.30	\$ 2.41	(All Usage)	
4"	\$ 136.26	\$ 2.41	(All Usage)	
6"	\$ 204.95	\$ 2.41	(All Usage)	
8"	\$ 297.41	\$ 2.41	(All Usage)	
10"	\$ 424.37	\$ 2.41	(All Usage)	

Reclaimed Rate: January 1, 2010	
(per ccf)	\$1.61

Fireline Rates: January 1, 2010	
	Fireline Fixed
2"	\$ 11.58
3"	\$ 15.93
4"	\$ 20.83
6"	\$ 34.43
8"	\$ 50.75
10"	\$ 69.80
<hr/>	
(per ccf)	\$ 4.35

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Water Bill Impacts – Scenario #2 (\$4m slow)

Water Bill Impacts - Scenario 2 (\$4m slow) (Tier 0-7 ccf)							
	Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed Rates	Monthly Bill Increase (Decrease)	Annual Increase (%)	Number of Customers	% of Total
5/8"	25%	4	\$ 18.05	\$ 18.85	\$ 0.80	4.4%	2945 22.4%
		7	\$ 23.54	\$ 24.84	\$ 1.30	5.5%	
	Median	8	\$ 25.37	\$ 27.39	\$ 2.02	8.0%	
	Average	11	\$ 30.86	\$ 35.02	\$ 4.16	13.5%	
		31	\$ 67.46	\$ 87.72	\$ 20.26	30.0%	
		40	\$ 83.93	\$ 126.89	\$ 42.96	51.2%	
3/4"	25%	4	\$ 18.05	\$ 18.85	\$ 0.80	4.4%	6091 46.3%
		7	\$ 23.54	\$ 24.84	\$ 1.30	5.5%	
		8	\$ 25.37	\$ 27.39	\$ 2.02	8.0%	
	Median	12	\$ 32.69	\$ 37.57	\$ 4.88	14.9%	
		31	\$ 67.46	\$ 87.72	\$ 20.26	30.0%	
		40	\$ 83.93	\$ 126.89	\$ 42.96	51.2%	
1"	25%	4	\$ 28.78	\$ 29.46	\$ 0.68	2.3%	3502 26.6%
		7	\$ 34.27	\$ 35.45	\$ 1.18	3.4%	
	Median	13	\$ 45.25	\$ 50.72	\$ 5.47	12.1%	
	90%	31	\$ 78.19	\$ 98.33	\$ 20.14	25.8%	
		40	\$ 94.66	\$ 137.50	\$ 42.84	45.3%	

Manhattan Beach Updated Rate Scenarios

September 1, 2009



COUNCIL MEETING Sewer Revenue Plan: January 1, 2010 Implementation

Summary of Sewer Revenue Requirements	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	15%	15%	20%	20%
Rate Stabilization Reserve - Balance	\$ 188,769	\$ 428,625	\$ 500,063	\$ 733,425	\$ 787,559
System Reinvestment - % of Target	0%	50%	75%	75%	100%
System Reinvestment - R&R Capital Funding	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Capital Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Operating Reserve - Beginning Balance	\$ (255,480)	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828
Operating Reserve - Ending Balance	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828	\$ 190,426
Operating Reserve - # of days of Operating Expenses	53	64	67	102	49
Revenues					
Sewer Rate Revenue	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000
Other Operating Revenue	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
Interest Earnings Operating Reserve	\$ 1,500	\$ 3,559	\$ 4,464	\$ 4,845	\$ 7,657
Total	\$ 1,309,500	\$ 1,311,559	\$ 1,312,464	\$ 1,312,845	\$ 1,315,657
Revenues From Rate Increases	\$ 635,000	\$ 1,587,500	\$ 2,063,750	\$ 2,397,125	\$ 2,667,794
Total Projected Revenues w/ Rate Increase:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Expenses					
Operating Expenses	\$ 1,216,006	\$ 1,263,221	\$ 1,313,750	\$ 1,366,300	\$ 1,420,952
Existing Debt Service	\$ 106,318	\$ 104,508	\$ 105,532	\$ 104,722	\$ 105,654
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Capital Project Funding From User Fees	\$ -	\$ -	\$ -	\$ -	\$ -
System Reinvestment Expense	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Subtotal:	\$ 1,322,324	\$ 2,617,729	\$ 3,294,282	\$ 3,346,022	\$ 4,026,606
Additions(Subtractions) to(from) Operating Reserve	\$ 433,407	\$ 45,248	\$ 19,066	\$ 140,586	\$ (192,402)
Additions to Rate Stabilization Reserve	\$ 188,769	\$ 236,081	\$ 62,865	\$ 223,361	\$ 39,465
Additions to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Total:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Test Driving Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	50.0%	50.0%	16.7%	10.0%	7.4%
Calendar Year Rate Increase (January 1)	100.0%	25.0%	10.0%	10.0%	5.0%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Sewer Rates

Current Sewer Rates	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 1.66
1"	\$ 3.32
1 1/2"	\$ 4.98
2"	\$ 6.64
3"	\$ 16.60
4"	\$ 21.07
6"	\$ 31.69
8"	\$ 43.81
10"	\$ 58.07
Volume (per ccf)	\$ 0.40

Proposed Sewer Rates

Proposed Sewer Rates: Jan. 1, 2010	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 3.50
1"	\$ 4.90
1 1/2"	\$ 7.23
2"	\$ 10.03
3"	\$ 17.49
4"	\$ 25.88
6"	\$ 49.19
8"	\$ 77.17
10"	\$ 109.80
Volume (per ccf)	\$ 0.80

Sewer Bill Impacts

		Sewer Bill Impacts						
		Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed 2010 Rates	Monthly Bill Increase (Decrease)	Bill Increase (%)	Number of Customers	% of Total
5/8"	25%	4	\$ 3.26	\$ 6.70	\$ 3.44	105.5%	2934	22.5%
	Median	8	\$ 4.86	\$ 9.90	\$ 5.04	103.6%		
	Average	11	\$ 5.86	\$ 11.89	\$ 6.03	103.0%		
	90%	21	\$ 10.06	\$ 20.28	\$ 10.22	101.6%		
3/4"	25%	7	\$ 4.46	\$ 9.10	\$ 4.64	104.0%	6073	46.5%
	Median	12	\$ 6.46	\$ 13.09	\$ 6.63	102.7%		
	Average	14	\$ 7.26	\$ 14.69	\$ 7.43	102.3%		
	90%	26	\$ 11.86	\$ 23.88	\$ 12.02	101.3%		
1"	25%	7	\$ 5.92	\$ 10.10	\$ 4.18	70.5%	3485	26.7%
	Median	13	\$ 8.32	\$ 14.89	\$ 6.57	79.0%		
	Average	16	\$ 9.52	\$ 17.29	\$ 7.77	81.6%		
	90%	30	\$ 15.12	\$ 28.47	\$ 13.35	88.3%		





Manhattan Beach Updated Rate Scenarios

September 1, 2009

Combined Water & Sewer Rate Impacts – Scenario 2 (\$4m slow)

Utility Bill Impacts Scenario 6 (Slow)*	2009	2010	2011	2012	2013	2014
Median Monthly Water Bill: (3/4" meter)	\$32.69	\$37.57	\$47.42	\$59.24	\$73.53	\$76.87
Median Monthly Sewer Bill: (3/4" meter)	\$6.46	\$13.09	\$16.36	\$18.00	\$19.80	\$20.79
Monthly Utility Bill:	\$39.15	\$50.66	\$63.79	\$77.24	\$93.33	\$97.66
Annual Increase (%)		29.4%	25.9%	21.1%	20.8%	4.6%

Monthly Utility Bill w/ 10% Reduction:**	\$39.15	\$47.16	\$58.63	\$70.86	\$85.63	\$89.61
Annual Increase (%)		20.4%	24.3%	20.9%	20.8%	4.6%

**FY 2009/10 Reflects Jan. 1, 2010 Implementation*

***2010 and Beyond Reflect Achievement of 10% Curtailment Goal*

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Water Scenario 2 Neighborhood Comparison



Sewer Neighborhood Comparison

Community	Meter Size	Meter Charge	Monthly Consumption (ccf)	Tiers	Volume Charge	Monthly Bill
Manhattan Beach	5/8" and 3/4"	\$ 3.50	12	All Usage	\$ 0.80	\$ 13.09
El Segundo	5/8" and 3/4"	\$ 4.49	12	All Usage	\$ 0.50	\$ 10.49
Redondo Beach	Single Family	\$ 7.00	Flat Fee	None	None	\$ 7.00
Santa Monica	5/8" & 3/4"	\$ 4.75	12	51% of usage, at \$2.94 per ccf		\$ 22.74
Huntington Beach	5/8" or 3/4"	\$ 5.30	Flat Fee	None		\$ 5.30
Seal Beach	Single Family					
	22% of Water + Capital Fee	\$ 4.68	Flat Fee	None		\$ 10.51
	Master Plan Fee	\$ 5.83				

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bill Impacts – Scenario 2 (\$4m slow)



Large Users:	Usage (ccf)	Existing Monthly Bill	Proposed FY 2009/10 Monthly Bill	Monthly Bill Increase (Decrease)	Bill Increase (%)
# 1 6" Northrop Meter	9874.42	\$ 18,275.13	\$ 24,018.39	\$ 5,743.26	31.4%
# 2 10" Northrop Meter	6066.92	\$ 11,478.00	\$ 15,055.53	\$ 3,577.53	31.2%
# 3 8" Hotel Meter	2034.67	\$ 4,006.69	\$ 5,204.27	\$ 1,197.58	29.9%
# 4 4" Hotel Meter	1670.08	\$ 3,192.51	\$ 4,163.88	\$ 971.37	30.4%
# 5 2" LA County Meter	866.75	\$ 1,629.07	\$ 2,133.20	\$ 504.13	30.9%
# 6 2" Business Meter	831.917	\$ 1,565.33	\$ 2,049.20	\$ 483.87	30.9%
# 7 3" Business Meter	674.75	\$ 1,342.09	\$ 1,734.55	\$ 392.46	29.2%
# 8 2" Car Wash Meter	610.667	\$ 1,160.44	\$ 1,515.62	\$ 355.18	30.6%
# 9 2" Mall Meter	523.5	\$ 1,000.93	\$ 1,305.41	\$ 304.48	30.4%
# 10 4" Business Meter	509.917	\$ 1,069.41	\$ 1,365.99	\$ 296.58	27.7%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bills (Sewer)



	Usage (ccf)	Existing Monthly Bill	Proposed 2010 Monthly Bill	Monthly Bill Increase (Decrease)	Monthly Increase (%)
#1 6" Northrop Meter	9874	\$ 3,981.46	\$ 7,939.63	\$ 3,958.17	99.4%
#2 10" Northrop Meter	6067	\$ 2,484.84	\$ 4,957.75	\$ 2,472.91	99.5%
#3 8" Hotel Meter	2035	\$ 857.67	\$ 1,703.02	\$ 845.35	98.6%
#4 4" Hotel Meter	1670	\$ 689.10	\$ 1,360.41	\$ 671.31	97.4%
#5 2" LA County Meter	867	\$ 353.34	\$ 702.63	\$ 349.30	98.9%
#6 2" Business Meter	832	\$ 339.40	\$ 674.80	\$ 335.40	98.8%
#7 3" Business Meter	675	\$ 286.50	\$ 556.67	\$ 270.17	94.3%
#8 2" Car Wash Meter	611	\$ 250.90	\$ 498.00	\$ 247.10	98.5%
#9 2" Mall Meter	524	\$ 216.04	\$ 428.35	\$ 212.31	98.3%
#10 4" Business Meter	510	\$ 225.04	\$ 433.35	\$ 208.31	92.6%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Subsequent Year Water Rate Schedules



Proposed Scenario 2 (\$4m Slow) Rates - Jan. 1, 2011		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 28	Tier 3 29 +
5/8" or 3/4"	\$ 12.63	\$ 2.61	\$ 3.30	\$5.58
1"	\$ 21.46	\$ 2.61	\$ 3.30	\$5.58
1 1/2"	\$ 32.19	\$ 3.16	(All Usage)	
2"	\$ 44.19	\$ 3.16	(All Usage)	
3"	\$ 107.30	\$ 3.16	(All Usage)	
4"	\$ 136.26	\$ 3.16	(All Usage)	
6"	\$ 233.57	\$ 3.16	(All Usage)	
8"	\$ 368.85	\$ 3.16	(All Usage)	
10"	\$ 526.67	\$ 3.16	(All Usage)	

Proposed Scenario 2 (\$4m slow) Rates - Jan. 1, 2012		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 27	Tier 3 28 +
5/8" or 3/4"	\$ 14.73	\$ 3.35	\$ 4.22	\$7.10
1"	\$ 23.13	\$ 3.35	\$ 4.22	\$7.10
1 1/2"	\$ 37.14	\$ 4.05	(All Usage)	
2"	\$ 53.94	\$ 4.05	(All Usage)	
3"	\$ 107.30	\$ 4.05	(All Usage)	
4"	\$ 149.18	\$ 4.05	(All Usage)	
6"	\$ 289.24	\$ 4.05	(All Usage)	
8"	\$ 457.31	\$ 4.05	(All Usage)	
10"	\$ 653.39	\$ 4.05	(All Usage)	

Proposed Scenario 2 (\$4m Slow) Rates - Jan. 1, 2013		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 25	Tier 3 26 +
5/8" or 3/4"	\$ 18.50	\$ 4.14	\$ 5.21	\$8.78
1"	\$ 29.01	\$ 4.14	\$ 5.21	\$8.78
1 1/2"	\$ 46.52	\$ 5.06	(All Usage)	
2"	\$ 67.54	\$ 5.06	(All Usage)	
3"	\$ 123.59	\$ 5.06	(All Usage)	
4"	\$ 186.64	\$ 5.06	(All Usage)	
6"	\$ 361.79	\$ 5.06	(All Usage)	
8"	\$ 571.96	\$ 5.06	(All Usage)	
10"	\$ 817.17	\$ 5.06	(All Usage)	

Proposed Scenario 2 (\$4m Slow) Rates - Jan. 1, 2014		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 24	Tier 3 25 +
5/8" or 3/4"	\$ 19.42	\$ 4.32	\$ 5.44	\$9.16
1"	\$ 30.46	\$ 4.32	\$ 5.44	\$9.16
1 1/2"	\$ 48.85	\$ 5.31	(All Usage)	
2"	\$ 70.92	\$ 5.31	(All Usage)	
3"	\$ 129.77	\$ 5.31	(All Usage)	
4"	\$ 195.97	\$ 5.31	(All Usage)	
6"	\$ 379.88	\$ 5.31	(All Usage)	
8"	\$ 600.56	\$ 5.31	(All Usage)	
10"	\$ 858.02	\$ 5.31	(All Usage)	

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Subsequent Year Sewer Rate Schedules



FYE 2011 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.38
1"	\$	6.13
1 1/2"	\$	9.04
2"	\$	12.54
3"	\$	21.86
4"	\$	32.35
6"	\$	61.49
8"	\$	96.46
10"	\$	137.25
Volume (per ccf)	\$	1.00

FYE 2012 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.82
1"	\$	6.74
1 1/2"	\$	9.95
2"	\$	13.79
3"	\$	24.05
4"	\$	35.59
6"	\$	67.64
8"	\$	106.10
10"	\$	150.98
Volume (per ccf)	\$	1.10

FYE 2013 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.30
1"	\$	7.41
1 1/2"	\$	10.94
2"	\$	15.17
3"	\$	26.45
4"	\$	39.15
6"	\$	74.40
8"	\$	116.71
10"	\$	166.07
Volume (per ccf)	\$	1.21

FYE 2014 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.56
1"	\$	7.78
1 1/2"	\$	11.49
2"	\$	15.93
3"	\$	27.78
4"	\$	41.10
6"	\$	78.12
8"	\$	122.55
10"	\$	174.38
Volume (per ccf)	\$	1.27

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Water Revenue Plan: January 1, 2010 Implementation

Scenario #3 (\$4m fast)



Summary of Water Revenue Requirements	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	10%	10%	15%	20%
Rate Stabilization Reserve - Balance	\$ 870,000	\$ 1,116,765	\$ 1,384,789	\$ 2,540,640	\$ 3,661,836
System Reinvestment - % of Target	25%	50%	75%	100%	100%
System Reinvestment - R&R Capital Funding	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000	\$ 4,000,000	\$ 4,000,000
Operating Reserve - Beginning Balance	\$ 4,750,327	\$ 2,592,259	\$ 1,448,273	\$ 1,187,305	\$ 1,520,317
Operating Reserve - Ending Balance	\$ 2,592,259	\$ 1,448,273	\$ 1,187,305	\$ 1,520,317	\$ 2,482,386
Operating Reserve - # of days of Operating Expenses	111	65	49	55	78
Revenues					
Water Rate Revenue (Current Rates)	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000
Other Operating Revenue	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800
Non-Operating Revenue	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988
Interest Earnings Operating Reserve	\$ 56,788	\$ 51,845	\$ 28,965	\$ 23,746	\$ 30,406
Total	\$ 7,736,576	\$ 7,731,633	\$ 7,708,753	\$ 7,703,534	\$ 7,710,194
Revenues From Rate Increases	\$ 1,120,500	\$ 3,697,650	\$ 7,047,945	\$ 9,967,314	\$ 10,993,039
Total Projected Revenues w/ Rate Increase:	\$ 8,857,076	\$ 11,429,283	\$ 14,756,698	\$ 17,670,848	\$ 18,703,233
Expenses					
Operating Expenses	\$ 4,077,122	\$ 4,305,832	\$ 4,566,697	\$ 4,796,318	\$ 5,038,701
MWD Water Purchases	\$ 4,854,708	\$ 5,825,650	\$ 6,990,780	\$ 7,200,503	\$ 7,416,518
Debt Service	\$ 213,314	\$ 212,422	\$ 214,502	\$ 212,859	\$ 215,563
Rate-Funded System Reinvestment	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000	\$ 4,000,000	\$ 4,000,000
Subtotal:	\$ 10,145,144	\$ 12,343,904	\$ 14,771,979	\$ 16,209,680	\$ 16,670,782
Additions(Subtractions) to(from) Operating Reserve	\$ (2,158,068)	\$ (1,143,986)	\$ (260,968)	\$ 333,013	\$ 962,068
Additions to Rate Stabilization Reserve	\$ 870,000	\$ 229,365	\$ 245,688	\$ 1,128,156	\$ 1,070,383
Total:	\$ 8,857,076	\$ 11,429,283	\$ 14,756,698	\$ 17,670,848	\$ 18,703,233
Test Driving Rate Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	15.0%	30.0%	30.0%	20.1%	5.9%
Caldendar Year Rate Increase (January 1)	30.0%	30.0%	30.0%	12.5%	0.0%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Rates

Current Water Rates	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 10.73
1"	\$ 21.46
1 1/2"	\$ 32.19
2"	\$ 42.92
3"	\$ 107.30
4"	\$ 136.26
6"	\$ 204.95
8"	\$ 283.25
10"	\$ 375.54
Volume (per ccf)	\$ 1.83

Current Reclaimed Rate	
(per ccf)	\$ 0.85

Current Fireline Rates	
	Fireline
2"	\$ 10.00
3"	\$ 15.00
4"	\$ 20.00
6"	\$ 30.00
8"	\$ 40.00
10"	\$ 50.00
(per ccf)	\$ 1.94



Scenario 3 (\$4m fast) – Water Rates (Tier 1: 0-7 ccf)

Proposed Scenario 3 (\$4m Fast) Rates - Jan. 1, 2010		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 30	Tier 3 31 +
5/8" or 3/4"	\$ 11.29	\$ 2.00	\$ 2.77	\$4.48
1"	\$ 21.46	\$ 2.00	\$ 2.77	\$4.48
1 1/2"	\$ 32.19	\$ 2.53	(All Usage)	
2"	\$ 42.92	\$ 2.53	(All Usage)	
3"	\$ 107.30	\$ 2.53	(All Usage)	
4"	\$ 136.26	\$ 2.53	(All Usage)	
6"	\$ 204.95	\$ 2.53	(All Usage)	
8"	\$ 309.31	\$ 2.53	(All Usage)	
10"	\$ 441.34	\$ 2.53	(All Usage)	

Reclaimed Rate: January 1, 2010	
(per ccf)	\$ 1.61

Fireline Rates: January 1, 2010	
	Fireline Fixed
2"	\$ 12.04
3"	\$ 16.57
4"	\$ 21.66
6"	\$ 35.81
8"	\$ 52.78
10"	\$ 72.59
(per ccf)	\$ 4.48

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Water Bill Impacts – Scenario 3 (\$4m fast)

Water Bill Impacts - Scenario 3 (\$4m Fast) (Tier 0-7 ccf)								
	Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed Rates	Monthly Bill Increase (Decrease)	Annual Increase (%)	Number of Customers	% of Total	
5/8"	25%	4	\$ 18.05	\$ 19.28	\$ 1.23	6.8%	2945	22.4%
		7	\$ 23.54	\$ 25.28	\$ 1.74	7.4%		
	Median	8	\$ 25.37	\$ 28.05	\$ 2.68	10.6%		
	Average	11	\$ 30.86	\$ 36.36	\$ 5.50	17.8%		
		31	\$ 67.46	\$ 93.45	\$ 25.99	38.5%		
		40	\$ 83.93	\$ 133.77	\$ 49.84	59.4%		
3/4"	25%	4	\$ 18.05	\$ 19.28	\$ 1.23	6.8%	6091	46.3%
		7	\$ 23.54	\$ 25.28	\$ 1.74	7.4%		
		8	\$ 25.37	\$ 28.05	\$ 2.68	10.6%		
	Median	12	\$ 32.69	\$ 39.13	\$ 6.44	19.7%		
		31	\$ 67.46	\$ 93.45	\$ 25.99	38.5%		
		40	\$ 83.93	\$ 133.77	\$ 49.84	59.4%		
1"	25%	4	\$ 28.78	\$ 29.46	\$ 0.68	2.4%	3502	26.6%
		7	\$ 34.27	\$ 35.45	\$ 1.18	3.5%		
		8	\$ 36.10	\$ 38.22	\$ 2.12	5.9%		
	Median	13	\$ 45.25	\$ 52.07	\$ 6.82	15.1%		
		31	\$ 78.19	\$ 103.62	\$ 25.43	32.5%		

Manhattan Beach Updated Rate Scenarios

September 1, 2009



COUNCIL MEETING Sewer Revenue Plan: January 1, 2010 Implementation

Summary of Sewer Revenue Requirements	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	15%	15%	20%	20%
Rate Stabilization Reserve - Balance	\$ 188,769	\$ 428,625	\$ 500,063	\$ 733,425	\$ 787,559
System Reinvestment - % of Target	0%	50%	75%	75%	100%
System Reinvestment - R&R Capital Funding	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Capital Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Operating Reserve - Beginning Balance	\$ (255,480)	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828
Operating Reserve - Ending Balance	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828	\$ 190,426
Operating Reserve - # of days of Operating Expenses	53	64	67	102	49
Revenues					
Sewer Rate Revenue	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000
Other Operating Revenue	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
Interest Earnings Operating Reserve	\$ 1,500	\$ 3,559	\$ 4,464	\$ 4,845	\$ 7,657
Total	\$ 1,309,500	\$ 1,311,559	\$ 1,312,464	\$ 1,312,845	\$ 1,315,657
Revenues From Rate Increases	\$ 635,000	\$ 1,587,500	\$ 2,063,750	\$ 2,397,125	\$ 2,667,794
Total Projected Revenues w/ Rate Increase:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Expenses					
Operating Expenses	\$ 1,216,006	\$ 1,263,221	\$ 1,313,750	\$ 1,366,300	\$ 1,420,952
Existing Debt Service	\$ 106,318	\$ 104,508	\$ 105,532	\$ 104,722	\$ 105,654
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Capital Project Funding From User Fees	\$ -	\$ -	\$ -	\$ -	\$ -
System Reinvestment Expense	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Subtotal:	\$ 1,322,324	\$ 2,617,729	\$ 3,294,282	\$ 3,346,022	\$ 4,026,606
Additions(Subtractions) to(from) Operating Reserve	\$ 433,407	\$ 45,248	\$ 19,066	\$ 140,586	\$ (192,402)
Additions to Rate Stabilization Reserve	\$ 188,769	\$ 236,081	\$ 62,865	\$ 223,361	\$ 39,465
Additions to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Total:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Test Driving Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	50.0%	50.0%	16.7%	10.0%	7.4%
Calendar Year Rate Increase (January 1)	100.0%	25.0%	10.0%	10.0%	5.0%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Sewer Rates

Current Sewer Rates	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 1.66
1"	\$ 3.32
1 1/2"	\$ 4.98
2"	\$ 6.64
3"	\$ 16.60
4"	\$ 21.07
6"	\$ 31.69
8"	\$ 43.81
10"	\$ 58.07
Volume (per ccf)	\$ 0.40

Proposed Sewer Rates

Proposed Sewer Rates: Jan. 1, 2010	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 3.50
1"	\$ 4.90
1 1/2"	\$ 7.23
2"	\$ 10.03
3"	\$ 17.49
4"	\$ 25.88
6"	\$ 49.19
8"	\$ 77.17
10"	\$ 109.80
Volume (per ccf)	\$ 0.80

Sewer Bill Impacts

		Sewer Bill Impacts						
		Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed 2010 Rates	Monthly Bill Increase (Decrease)	Bill Increase (%)	Number of Customers	% of Total
5/8"	25%	4	\$ 3.26	\$ 6.70	\$ 3.44	105.5%	2934	22.5%
	Median	8	\$ 4.86	\$ 9.90	\$ 5.04	103.6%		
	Average	11	\$ 5.86	\$ 11.89	\$ 6.03	103.0%		
	90%	21	\$ 10.06	\$ 20.28	\$ 10.22	101.6%		
3/4"	25%	7	\$ 4.46	\$ 9.10	\$ 4.64	104.0%	6073	46.5%
	Median	12	\$ 6.46	\$ 13.09	\$ 6.63	102.7%		
	Average	14	\$ 7.26	\$ 14.69	\$ 7.43	102.3%		
	90%	26	\$ 11.86	\$ 23.88	\$ 12.02	101.3%		
1"	25%	7	\$ 5.92	\$ 10.10	\$ 4.18	70.5%	3485	26.7%
	Median	13	\$ 8.32	\$ 14.89	\$ 6.57	79.0%		
	Average	16	\$ 9.52	\$ 17.29	\$ 7.77	81.6%		
	90%	30	\$ 15.12	\$ 28.47	\$ 13.35	88.3%		



Manhattan Beach Updated Rate Scenarios

September 1, 2009

Combined Water & Sewer Rate Impacts – Scenario 3 (\$4m fast)



Utility Bill Impacts Scenario 3 (\$4m Fast)*	2009	2010	2011	2012	2013	2014
Median Monthly Water Bill: (3/4" meter)	\$32.69	\$39.13	\$51.48	\$66.43	\$74.20	\$73.96
Median Monthly Sewer Bill: (3/4" meter)	\$6.46	\$13.09	\$16.36	\$18.00	\$19.80	\$20.79
Monthly Utility Bill	\$39.15	\$52.22	\$67.85	\$84.44	\$94.00	\$94.75
Annual Increase (%)		33.4%	29.9%	24.5%	11.3%	0.8%

Monthly Utility Bill w/ 10% Reduction:**	\$39.15	\$48.49	\$51.68	\$63.39	\$70.48	\$71.39
Annual Increase (%)		23.9%	6.6%	22.7%	11.2%	1.3%

**FY 2009/10 Reflects Jan. 1, 2010 Implementation*

***2010 and Beyond Reflect Achievement of 10% Curtailment Goal*

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Water Scenario 3 Neighborhood Comparison

Community	Meter Size	Meter Charge	Monthly Consumption (ccf)	Tiers	Volume Charge	Monthly Bill
Santa Monica	Single Family	None	12	Tier 1 (0 - 14 ccf)	\$ 1.65	\$ 19.80
				Tier 2 (15 - 40 ccf)	\$ 2.47	
				Tier 3 (41 - 148 ccf)	\$ 3.70	
				Tier 4 (149+ ccf)	\$ 5.78	
Huntington Beach	5/8" or 3/4"	\$ 10.75	12	All Usage	\$ 1.56	\$ 29.44
El Segundo	5/8" x 3/4"	\$ 11.26	12	Tier 1 (2 ccf)	\$ 1.51	\$ 31.69
				Tier 2 (3-5 ccf)	\$ 1.67	
				Tier 3 (6-10 ccf)	\$ 1.75	
				Tier 4 (11+ ccf)	\$ 1.83	
Manhattan Beach - Scenario 3 (\$4m Fast)	5/8" & 3/4"	\$ 11.29	12	Tier 1 (0-7 ccf)	\$ 2.00	\$ 39.13
				Tier 2 (8 - 30 ccf)	\$ 2.77	
				Tier 3 (31+ ccf)	\$ 4.48	
Hermosa Beach, Redondo Beach	3/4"	12.97	12	Tier 1 (0 - 10 ccf)	\$ 2.16	\$ 40.00
				Tier 2 (11 - 16 ccf)	\$ 2.73	
				Tier 3 (17+ ccf)	\$ 3.21	
Claremont, Pomona, Cypress, Los Alamitos, Placentia, Seal Beach, Stanton, San Dimas, Arcadia	3/4"	\$ 22.70	12	Tier 1 (0 - 12 ccf)	\$ 2.15	\$ 48.48
				Tier 2 (13+ ccf)	\$ 2.47	
Palos Verdes, Rolling Hills, Lomita, Rancho Palos Verdes	3/4"	17.67	12	Tier 1 (0 - 15 ccf)	\$ 2.61	\$ 49.05
				Tier 2 (16 - 36 ccf)	\$ 2.80	
				Tier 3 (37+ ccf)	\$ 3.36	
Carson, Los Angeles, Long Beach	3/4"	17.67	12	Tier 1 (0 - 15 ccf)	\$ 2.61	\$ 49.05
				Tier 2 (16 - 36 ccf)	\$ 2.80	
				Tier 3 (37+ ccf)	\$ 3.36	
Cerritos, Compton, Culver City, Gardena, Hawthorne, Inglewood	3/4"	\$ 18.65	12	Tier 1 (0 - 16 ccf)	\$ 2.69	\$ 50.95
				Tier 2 (17+ ccf)	\$ 3.10	

Sewer Neighborhood Comparison

Community	Meter Size	Meter Charge	Monthly Consumption (ccf)	Tiers	Volume Charge	Monthly Bill
Manhattan Beach	5/8" and 3/4"	\$ 3.50	12	All Usage	\$ 0.80	\$ 13.09
El Segundo	5/8" and 3/4"	\$ 4.49	12	All Usage	\$ 0.50	\$ 10.49
Redondo Beach	Single Family	\$ 7.00	Flat Fee	None	None	\$ 7.00
Santa Monica	5/8" & 3/4"	\$ 4.75	12	51% of usage, at \$2.94 per ccf		\$ 22.74
Huntington Beach	5/8" or 3/4"	\$ 5.30	Flat Fee	None		\$ 5.30
Seal Beach	Single Family					
	22% of Water + Capital Fee Master Plan Fee	\$ 4.68	Flat Fee	None		\$ 10.51
		\$ 5.83				

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bill Impacts – Scenario 3 (\$4m fast)



Large Users:	Usage (ccf)	Existing Monthly Bill	Proposed FY 2009/10 Monthly Bill	Monthly Bill Increase (Decrease)	Bill Increase (%)
# 1 6" Northrop Meter	9874.42	\$ 18,275.13	\$ 25,171.89	\$ 6,896.76	37.7%
# 2 10" Northrop Meter	6066.92	\$ 11,478.00	\$ 15,781.22	\$ 4,303.22	37.5%
# 3 8" Hotel Meter	2034.67	\$ 4,006.69	\$ 5,453.85	\$ 1,447.16	36.1%
# 4 4" Hotel Meter	1670.08	\$ 3,192.51	\$ 4,358.98	\$ 1,166.47	36.5%
# 5 2" LA County Meter	866.75	\$ 1,629.07	\$ 2,234.45	\$ 605.38	37.2%
# 6 2" Business Meter	831.917	\$ 1,565.33	\$ 2,146.38	\$ 581.05	37.1%
# 7 3" Business Meter	674.75	\$ 1,342.09	\$ 1,813.37	\$ 471.28	35.1%
# 8 2" Car Wash Meter	610.667	\$ 1,160.44	\$ 1,586.96	\$ 426.52	36.8%
# 9 2" Mall Meter	523.5	\$ 1,000.93	\$ 1,366.56	\$ 365.64	36.5%
# 10 4" Business Meter	509.917	\$ 1,069.41	\$ 1,425.56	\$ 356.15	33.3%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bills (Sewer)



	Usage (ccf)	Existing Monthly Bill	Proposed 2010 Monthly Bill	Monthly Bill Increase (Decrease)	Monthly Increase (%)
#1 6" Northrop Meter	9874	\$ 3,981.46	\$ 7,939.63	\$ 3,958.17	99.4%
#2 10" Northrop Meter	6067	\$ 2,484.84	\$ 4,957.75	\$ 2,472.91	99.5%
#3 8" Hotel Meter	2035	\$ 857.67	\$ 1,703.02	\$ 845.35	98.6%
#4 4" Hotel Meter	1670	\$ 689.10	\$ 1,360.41	\$ 671.31	97.4%
#5 2" LA County Meter	867	\$ 353.34	\$ 702.63	\$ 349.30	98.9%
#6 2" Business Meter	832	\$ 339.40	\$ 674.80	\$ 335.40	98.8%
#7 3" Business Meter	675	\$ 286.50	\$ 556.67	\$ 270.17	94.3%
#8 2" Car Wash Meter	611	\$ 250.90	\$ 498.00	\$ 247.10	98.5%
#9 2" Mall Meter	524	\$ 216.04	\$ 428.35	\$ 212.31	98.3%
#10 4" Business Meter	510	\$ 225.04	\$ 433.35	\$ 208.31	92.6%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Subsequent Year Water Rate Schedules



Proposed Scenario 3 (\$4m Fast) Rates - Jan. 1, 2011				
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 28	Tier 3 29 +
5/8" or 3/4"	\$ 13.66	\$ 2.73	\$ 3.74	\$5.99
1"	\$ 21.46	\$ 2.73	\$ 3.74	\$5.99
1 1/2"	\$ 33.16	\$ 3.45	(All Usage)	
2"	\$ 47.80	\$ 3.45	(All Usage)	
3"	\$ 107.30	\$ 3.45	(All Usage)	
4"	\$ 136.26	\$ 3.45	(All Usage)	
6"	\$ 252.63	\$ 3.45	(All Usage)	
8"	\$ 398.95	\$ 3.45	(All Usage)	
10"	\$ 569.64	\$ 3.45	(All Usage)	

Proposed Scenario 3 (\$4m Fast) Rates - Jan. 1, 2012				
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 27	Tier 3 28 +
5/8" or 3/4"	\$ 16.56	\$ 3.60	\$ 4.93	\$7.88
1"	\$ 26.02	\$ 3.60	\$ 4.93	\$7.88
1 1/2"	\$ 41.77	\$ 4.56	(All Usage)	
2"	\$ 60.68	\$ 4.56	(All Usage)	
3"	\$ 111.09	\$ 4.56	(All Usage)	
4"	\$ 167.81	\$ 4.56	(All Usage)	
6"	\$ 325.36	\$ 4.56	(All Usage)	
8"	\$ 514.41	\$ 4.56	(All Usage)	
10"	\$ 734.98	\$ 4.56	(All Usage)	

Proposed Scenario 3 (\$4m Fast) Rates - Jan. 1, 2013				
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 25	Tier 3 26 +
5/8" or 3/4"	\$ 18.73	\$ 3.98	\$ 5.52	\$8.78
1"	\$ 29.37	\$ 3.98	\$ 5.52	\$8.78
1 1/2"	\$ 47.10	\$ 5.13	(All Usage)	
2"	\$ 68.38	\$ 5.13	(All Usage)	
3"	\$ 125.12	\$ 5.13	(All Usage)	
4"	\$ 188.95	\$ 5.13	(All Usage)	
6"	\$ 366.26	\$ 5.13	(All Usage)	
8"	\$ 579.04	\$ 5.13	(All Usage)	
10"	\$ 827.28	\$ 5.13	(All Usage)	

Proposed Scenario 3 (\$4m Fast) Rates - Jan. 1, 2014				
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 24	Tier 3 25 +
5/8" or 3/4"	\$ 18.73	\$ 3.99	\$ 5.46	\$8.73
1"	\$ 29.37	\$ 3.99	\$ 5.46	\$8.73
1 1/2"	\$ 47.11	\$ 5.13	(All Usage)	
2"	\$ 68.40	\$ 5.13	(All Usage)	
3"	\$ 125.16	\$ 5.13	(All Usage)	
4"	\$ 189.02	\$ 5.13	(All Usage)	
6"	\$ 366.41	\$ 5.13	(All Usage)	
8"	\$ 579.28	\$ 5.13	(All Usage)	
10"	\$ 827.63	\$ 5.13	(All Usage)	

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Subsequent Year Sewer Rate Schedules



FYE 2011 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.38
1"	\$	6.13
1 1/2"	\$	9.04
2"	\$	12.54
3"	\$	21.86
4"	\$	32.35
6"	\$	61.49
8"	\$	96.46
10"	\$	137.25
Volume (per ccf)	\$	1.00

FYE 2012 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.82
1"	\$	6.74
1 1/2"	\$	9.95
2"	\$	13.79
3"	\$	24.05
4"	\$	35.59
6"	\$	67.64
8"	\$	106.10
10"	\$	150.98
Volume (per ccf)	\$	1.10

FYE 2013 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.30
1"	\$	7.41
1 1/2"	\$	10.94
2"	\$	15.17
3"	\$	26.45
4"	\$	39.15
6"	\$	74.40
8"	\$	116.71
10"	\$	166.07
Volume (per ccf)	\$	1.21

FYE 2014 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.56
1"	\$	7.78
1 1/2"	\$	11.49
2"	\$	15.93
3"	\$	27.78
4"	\$	41.10
6"	\$	78.12
8"	\$	122.55
10"	\$	174.38
Volume (per ccf)	\$	1.27

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Water Revenue Plan: January 1, 2010 Implementation

Scenario #4 (\$5m slow)



Summary of Water Revenue Requirements	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	10%	10%	15%	20%
Rate Stabilization Reserve - Balance	\$ 870,000	\$ 1,116,765	\$ 1,388,673	\$ 2,533,381	\$ 3,836,209
System Reinvestment - % of Target	20%	40%	60%	80%	100%
System Reinvestment - R&R Capital Funding	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000	\$ 4,000,000	\$ 5,000,000
Operating Reserve - Beginning Balance	\$ 4,750,327	\$ 2,592,259	\$ 1,448,273	\$ 1,183,420	\$ 1,527,576
Operating Reserve - Ending Balance	\$ 2,592,259	\$ 1,448,273	\$ 1,183,420	\$ 1,527,576	\$ 2,000,377
Operating Reserve - # of days of Operating Expenses	111	65	48	55	63
Revenues					
Water Rate Revenue (Current Rates)	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000
Other Operating Revenue	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800
Non-Operating Revenue	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988
Interest Earnings Operating Reserve	\$ 56,788	\$ 51,845	\$ 28,965	\$ 23,668	\$ 30,552
Total	\$ 7,736,576	\$ 7,731,633	\$ 7,708,753	\$ 7,703,456	\$ 7,710,340
Revenues From Rate Increases	\$ 1,120,500	\$ 3,697,650	\$ 7,047,945	\$ 9,967,314	\$ 11,685,403
Total Projected Revenues w/ Rate Increase:	\$ 8,857,076	\$ 11,429,283	\$ 14,756,698	\$ 17,670,771	\$ 19,395,742
Expenses					
Operating Expenses	\$ 4,077,122	\$ 4,305,832	\$ 4,566,697	\$ 4,796,318	\$ 5,038,701
MWD Water Purchases	\$ 4,854,708	\$ 5,825,650	\$ 6,990,780	\$ 7,200,503	\$ 7,416,518
Debt Service	\$ 213,314	\$ 212,422	\$ 214,502	\$ 212,859	\$ 215,563
Rate-Funded System Reinvestment	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000	\$ 4,000,000	\$ 5,000,000
Subtotal:	\$ 10,145,144	\$ 12,343,904	\$ 14,771,979	\$ 16,209,680	\$ 17,670,782
Additions(Subtractions) to(from) Operating Reserve	\$ (2,158,068)	\$ (1,143,986)	\$ (264,853)	\$ 344,156	\$ 472,800
Additions to Rate Stabilization Reserve	\$ 870,000	\$ 229,365	\$ 249,573	\$ 1,116,935	\$ -
Total:	\$ 8,857,076	\$ 11,429,283	\$ 14,756,698	\$ 17,670,771	\$ 18,143,582
Test Driving Rate Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	15.0%	30.0%	30.0%	20.1%	9.9%
Calendar Year Rate Increase (January 1)	30.0%	30.0%	30.0%	12.5%	7.5%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Rates

Current Water Rates	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 10.73
1"	\$ 21.46
1 1/2"	\$ 32.19
2"	\$ 42.92
3"	\$ 107.30
4"	\$ 136.26
6"	\$ 204.95
8"	\$ 283.25
10"	\$ 375.54
Volume (per ccf)	\$ 1.83

Current Reclaimed Rate	
(per ccf)	\$ 0.85

Current Fireline Rates	
	Fireline
2"	\$ 10.00
3"	\$ 15.00
4"	\$ 20.00
6"	\$ 30.00
8"	\$ 40.00
10"	\$ 50.00
(per ccf)	\$ 1.94



Scenario 4 (\$5m slow) – Water Rates (Tier 1: 0-7 ccf)

Proposed Scenario 4 (\$5m Slow) Rates - Jan. 1, 2010		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 30	Tier 3 31 +
5/8" or 3/4"	\$ 11.29	\$ 2.00	\$ 2.77	\$4.48
1"	\$ 21.46	\$ 2.00	\$ 2.77	\$4.48
1 1/2"	\$ 32.19	\$ 2.53	(All Usage)	
2"	\$ 42.92	\$ 2.53	(All Usage)	
3"	\$ 107.30	\$ 2.53	(All Usage)	
4"	\$ 136.26	\$ 2.53	(All Usage)	
6"	\$ 204.95	\$ 2.53	(All Usage)	
8"	\$ 309.31	\$ 2.53	(All Usage)	
10"	\$ 441.34	\$ 2.53	(All Usage)	

Reclaimed Rate: January 1, 2010	
(per ccf)	\$ 1.61

Fireline Rates: January 1, 2010	
	Fireline Fixed
2"	\$ 12.04
3"	\$ 16.57
4"	\$ 21.66
6"	\$ 35.81
8"	\$ 52.78
10"	\$ 72.59
(per ccf)	\$ 4.48

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Water Bill Impacts – Scenario 4(\$5m slow)

Water Bill Impacts - Scenario 4 (\$5m slow) (Tier 0-7 ccf)								
	Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed Rates	Monthly Bill Increase (Decrease)	Annual Increase (%)	Number of Customers	% of Total	
5/8"	25%	4	\$ 18.05	\$ 19.29	\$ 1.24	6.9%	2945	22.4%
		7	\$ 23.54	\$ 25.30	\$ 1.76	7.5%		
	Median	8	\$ 25.37	\$ 28.07	\$ 2.70	10.6%		
	Average	11	\$ 30.86	\$ 36.37	\$ 5.51	17.8%		
		31	\$ 67.46	\$ 93.41	\$ 25.95	38.5%		
		40	\$ 83.93	\$ 133.73	\$ 49.80	59.3%		
3/4"	25%	4	\$ 18.05	\$ 19.29	\$ 1.24	6.9%	6091	46.3%
		7	\$ 23.54	\$ 25.30	\$ 1.76	7.5%		
		8	\$ 25.37	\$ 28.07	\$ 2.70	10.6%		
	Median	12	\$ 32.69	\$ 39.13	\$ 6.44	19.7%		
		31	\$ 67.46	\$ 93.41	\$ 25.95	38.5%		
		40	\$ 83.93	\$ 133.73	\$ 49.80	59.3%		
1"	25%	4	\$ 28.78	\$ 29.47	\$ 0.69	2.4%	3502	26.6%
		7	\$ 34.27	\$ 35.47	\$ 1.20	3.5%		
		8	\$ 36.10	\$ 38.24	\$ 2.14	5.9%		
	Median	13	\$ 45.25	\$ 52.07	\$ 6.82	15.1%		
	90%	31	\$ 78.19	\$ 103.58	\$ 25.39	32.5%		
		40	\$ 94.66	\$ 143.90	\$ 49.24	52.0%		

Manhattan Beach Updated Rate Scenarios

September 1, 2009



COUNCIL MEETING Sewer Revenue Plan: January 1, 2010 Implementation

Summary of Sewer Revenue Requirements	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	15%	15%	20%	20%
Rate Stabilization Reserve - Balance	\$ 188,769	\$ 428,625	\$ 500,063	\$ 733,425	\$ 787,559
System Reinvestment - % of Target	0%	50%	75%	75%	100%
System Reinvestment - R&R Capital Funding	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Capital Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Operating Reserve - Beginning Balance	\$ (255,480)	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828
Operating Reserve - Ending Balance	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828	\$ 190,426
Operating Reserve - # of days of Operating Expenses	53	64	67	102	49
Revenues					
Sewer Rate Revenue	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000
Other Operating Revenue	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
Interest Earnings Operating Reserve	\$ 1,500	\$ 3,559	\$ 4,464	\$ 4,845	\$ 7,657
Total	\$ 1,309,500	\$ 1,311,559	\$ 1,312,464	\$ 1,312,845	\$ 1,315,657
Revenues From Rate Increases	\$ 635,000	\$ 1,587,500	\$ 2,063,750	\$ 2,397,125	\$ 2,667,794
Total Projected Revenues w/ Rate Increase:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Expenses					
Operating Expenses	\$ 1,216,006	\$ 1,263,221	\$ 1,313,750	\$ 1,366,300	\$ 1,420,952
Existing Debt Service	\$ 106,318	\$ 104,508	\$ 105,532	\$ 104,722	\$ 105,654
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Capital Project Funding From User Fees	\$ -	\$ -	\$ -	\$ -	\$ -
System Reinvestment Expense	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Subtotal:	\$ 1,322,324	\$ 2,617,729	\$ 3,294,282	\$ 3,346,022	\$ 4,026,606
Additions(Subtractions) to(from) Operating Reserve	\$ 433,407	\$ 45,248	\$ 19,066	\$ 140,586	\$ (192,402)
Additions to Rate Stabilization Reserve	\$ 188,769	\$ 236,081	\$ 62,865	\$ 223,361	\$ 39,465
Additions to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Total:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Test Driving Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	50.0%	50.0%	16.7%	10.0%	7.4%
Calendar Year Rate Increase (January 1)	100.0%	25.0%	10.0%	10.0%	5.0%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Sewer Rates

Current Sewer Rates	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 1.66
1"	\$ 3.32
1 1/2"	\$ 4.98
2"	\$ 6.64
3"	\$ 16.60
4"	\$ 21.07
6"	\$ 31.69
8"	\$ 43.81
10"	\$ 58.07
Volume (per ccf)	\$ 0.40

Proposed Sewer Rates

Proposed Sewer Rates: Jan. 1, 2010	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 3.50
1"	\$ 4.90
1 1/2"	\$ 7.23
2"	\$ 10.03
3"	\$ 17.49
4"	\$ 25.88
6"	\$ 49.19
8"	\$ 77.17
10"	\$ 109.80
Volume (per ccf)	\$ 0.80

Sewer Bill Impacts

		Sewer Bill Impacts						
		Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed 2010 Rates	Monthly Bill Increase (Decrease)	Bill Increase (%)	Number of Customers	% of Total
5/8"	25%	4	\$ 3.26	\$ 6.70	\$ 3.44	105.5%	2934	22.5%
	Median	8	\$ 4.86	\$ 9.90	\$ 5.04	103.6%		
	Average	11	\$ 5.86	\$ 11.89	\$ 6.03	103.0%		
	90%	21	\$ 10.06	\$ 20.28	\$ 10.22	101.6%		
3/4"	25%	7	\$ 4.46	\$ 9.10	\$ 4.64	104.0%	6073	46.5%
	Median	12	\$ 6.46	\$ 13.09	\$ 6.63	102.7%		
	Average	14	\$ 7.26	\$ 14.69	\$ 7.43	102.3%		
	90%	26	\$ 11.86	\$ 23.88	\$ 12.02	101.3%		
1"	25%	7	\$ 5.92	\$ 10.10	\$ 4.18	70.5%	3485	26.7%
	Median	13	\$ 8.32	\$ 14.89	\$ 6.57	79.0%		
	Average	16	\$ 9.52	\$ 17.29	\$ 7.77	81.6%		
	90%	30	\$ 15.12	\$ 28.47	\$ 13.35	88.3%		



Manhattan Beach Updated Rate Scenarios

September 1, 2009

Combined Water & Sewer Rate Impacts – Scenario 4 (\$5m slow)



Utility Bill Impacts Scenario 4 (\$5m Slow)*	2009	2010	2011	2012	2013	2014
Median Monthly Water Bill: (3/4" meter)	\$32.69	\$39.13	\$51.75	\$66.98	\$75.38	\$81.07
Median Monthly Sewer Bill: (3/4" meter)	\$6.46	\$13.09	\$16.36	\$18.00	\$19.80	\$20.79
Monthly Utility Bill:	\$39.15	\$52.22	\$68.11	\$84.98	\$95.19	\$101.87
Annual Increase (%)		33.4%	30.4%	24.8%	12.0%	7.0%

Monthly Utility Bill w/ 10% Reduction:**	\$39.15	\$48.50	\$62.40	\$77.69	\$87.02	\$93.13
Annual Increase (%)		23.9%	28.7%	24.5%	12.0%	7.0%

**FY 2009/10 Reflects Jan. 1, 2010 Implementation*

***2010 and Beyond Reflect Achievement of 10% Curtailment Goal*

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Water Scenario 4 Neighborhood Comparison

Community	Meter Size	Meter Charge	Monthly Consumption (ccf)	Tiers	Volume Charge	Monthly Bill
Santa Monica	Single Family	None	12	Tier 1 (0 - 14 ccf) Tier 2 (15 - 40 ccf) Tier 3 (41 - 148 ccf) Tier 4 (149+ ccf)	\$ 1.65 \$ 2.47 \$ 3.70 \$ 5.78	\$ 19.80
Huntington Beach	5/8" or 3/4"	\$ 10.75	12	All Usage	\$ 1.56	\$ 29.44
El Segundo	5/8" x 3/4"	\$ 11.26	12	Tier 1 (2 ccf) Tier 2 (3-5 ccf) Tier 3 (6-10 ccf) Tier 4 (11+ ccf)	\$ 1.51 \$ 1.67 \$ 1.75 \$ 1.83	\$ 31.69
Manhattan Beach - Scenario 4 (\$5m slow)	5/8" & 3/4"	\$ 11.29	12	Tier 1 (0-7 ccf) Tier 2 (8 - 30 ccf) Tier 3 (31+ ccf)	\$ 2.00 \$ 2.77 \$ 4.48	\$ 39.13
Hermosa Beach, Redondo Beach	3/4"	12.97	12	Tier 1 (0 - 10 ccf) Tier 2 (11 - 16 ccf) Tier 3 (17+ ccf)	\$ 2.16 \$ 2.73 \$ 3.21	\$ 40.00
Claremont, Pomona, Cypress, Los Alamitos, Placentia, Seal Beach, Stanton, San Dimas, Arcadia	3/4"	\$ 22.70	12	Tier 1 (0 - 12 ccf) Tier 2 (13+ ccf)	\$ 2.15 \$ 2.47	\$ 48.48
Palos Verdes, Rolling Hills, Lomita, Rancho Palos Verdes	3/4"	17.67	12	Tier 1 (0 - 15 ccf) Tier 2 (16 - 36 ccf) Tier 3 (37+ ccf)	\$ 2.61 \$ 2.80 \$ 3.36	\$ 49.05
Carson, Los Angeles, Long Beach	3/4"	17.67	12	Tier 1 (0 - 15 ccf) Tier 2 (16 - 36 ccf) Tier 3 (37+ ccf)	\$ 2.61 \$ 2.80 \$ 3.36	\$ 49.05
Cerritos, Compton, Culver City, Gardena, Hawthorne, Inglewood	3/4"	\$ 18.65	12	Tier 1 (0 - 16 ccf) Tier 2 (17+ ccf)	\$ 2.69 \$ 3.10	\$ 50.95

Sewer Neighborhood Comparison

Community	Meter Size	Meter Charge	Monthly Consumption (ccf)	Tiers	Volume Charge	Monthly Bill
Manhattan Beach	5/8" and 3/4"	\$ 3.50	12	All Usage	\$ 0.80	\$ 13.09
El Segundo	5/8" and 3/4"	\$ 4.49	12	All Usage	\$ 0.50	\$ 10.49
Redondo Beach	Single Family	\$ 7.00	Flat Fee	None	None	\$ 7.00
Santa Monica	5/8" & 3/4"	\$ 4.75	12	51% of usage, at \$2.94 per ccf		\$ 22.74
Huntington Beach	5/8" or 3/4"	\$ 5.30	Flat Fee	None		\$ 5.30
Seal Beach	Single Family					
	22% of Water + Capital Fee	\$ 4.68	Flat Fee	None		\$ 10.51
	Master Plan Fee	\$ 5.83				

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bill Impacts – Scenario 4 (\$5m slow)



Large Users:	Usage (ccf)	Existing Monthly Bill	Proposed FY 2009/10 Monthly Bill	Monthly Bill Increase (Decrease)	Bill Increase (%)
# 1 6" Northrop Meter	9874.42	\$ 18,275.13	\$ 25,171.89	\$ 6,896.76	37.7%
# 2 10" Northrop Meter	6066.92	\$ 11,478.00	\$ 15,781.22	\$ 4,303.22	37.5%
# 3 8" Hotel Meter	2034.67	\$ 4,006.69	\$ 5,453.85	\$ 1,447.16	36.1%
# 4 4" Hotel Meter	1670.08	\$ 3,192.51	\$ 4,358.98	\$ 1,166.47	36.5%
# 5 2" LA County Meter	866.75	\$ 1,629.07	\$ 2,234.45	\$ 605.38	37.2%
# 6 2" Business Meter	831.917	\$ 1,565.33	\$ 2,146.38	\$ 581.05	37.1%
# 7 3" Business Meter	674.75	\$ 1,342.09	\$ 1,813.37	\$ 471.28	35.1%
# 8 2" Car Wash Meter	610.667	\$ 1,160.44	\$ 1,586.96	\$ 426.52	36.8%
# 9 2" Mall Meter	523.5	\$ 1,000.93	\$ 1,366.56	\$ 365.64	36.5%
# 10 4" Business Meter	509.917	\$ 1,069.41	\$ 1,425.56	\$ 356.15	33.3%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bills (Sewer)



	Usage (ccf)	Existing Monthly Bill	Proposed 2010 Monthly Bill	Monthly Bill Increase (Decrease)	Monthly Increase (%)
#1 6" Northrop Meter	9874	\$ 3,981.46	\$ 7,939.63	\$ 3,958.17	99.4%
#2 10" Northrop Meter	6067	\$ 2,484.84	\$ 4,957.75	\$ 2,472.91	99.5%
#3 8" Hotel Meter	2035	\$ 857.67	\$ 1,703.02	\$ 845.35	98.6%
#4 4" Hotel Meter	1670	\$ 689.10	\$ 1,360.41	\$ 671.31	97.4%
#5 2" LA County Meter	867	\$ 353.34	\$ 702.63	\$ 349.30	98.9%
#6 2" Business Meter	832	\$ 339.40	\$ 674.80	\$ 335.40	98.8%
#7 3" Business Meter	675	\$ 286.50	\$ 556.67	\$ 270.17	94.3%
#8 2" Car Wash Meter	611	\$ 250.90	\$ 498.00	\$ 247.10	98.5%
#9 2" Mall Meter	524	\$ 216.04	\$ 428.35	\$ 212.31	98.3%
#10 4" Business Meter	510	\$ 225.04	\$ 433.35	\$ 208.31	92.6%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Subsequent Year Water Rate Schedules



Proposed Scenario 4 (\$5m Slow) Rates - Jan. 1, 2011				
	Monthly Fixed Charge	Monthly Thresholds (ccf)		
		Tier 1 0 - 7	Tier 2 8 - 28	Tier 3 29 +
5/8" or 3/4"	\$ 13.66	\$ 2.73	\$ 3.74	\$5.99
1"	\$ 21.46	\$ 2.73	\$ 3.74	\$5.99
1 1/2"	\$ 33.16	\$ 3.45	(All Usage)	
2"	\$ 47.80	\$ 3.45	(All Usage)	
3"	\$ 107.30	\$ 3.45	(All Usage)	
4"	\$ 136.26	\$ 3.45	(All Usage)	
6"	\$ 252.63	\$ 3.45	(All Usage)	
8"	\$ 398.95	\$ 3.45	(All Usage)	
10"	\$ 569.64	\$ 3.45	(All Usage)	

Proposed Scenario 4 (\$5m Slow) Rates - Jan. 1, 2012				
	Monthly Fixed Charge	Monthly Thresholds (ccf)		
		Tier 1 0 - 7	Tier 2 8 - 27	Tier 3 28 +
5/8" or 3/4"	\$ 16.56	\$ 3.60	\$ 4.93	\$7.88
1"	\$ 26.02	\$ 3.60	\$ 4.93	\$7.88
1 1/2"	\$ 41.77	\$ 4.56	(All Usage)	
2"	\$ 60.68	\$ 4.56	(All Usage)	
3"	\$ 111.09	\$ 4.56	(All Usage)	
4"	\$ 167.81	\$ 4.56	(All Usage)	
6"	\$ 325.36	\$ 4.56	(All Usage)	
8"	\$ 514.41	\$ 4.56	(All Usage)	
10"	\$ 734.98	\$ 4.56	(All Usage)	

Proposed Scenario 4 (\$5m Slow) Rates - Jan. 1, 2013				
	Monthly Fixed Charge	Monthly Thresholds (ccf)		
		Tier 1 0 - 7	Tier 2 8 - 25	Tier 3 26 +
5/8" or 3/4"	\$ 18.73	\$ 4.01	\$ 5.49	\$8.78
1"	\$ 29.37	\$ 4.01	\$ 5.49	\$8.78
1 1/2"	\$ 47.10	\$ 5.13	(All Usage)	
2"	\$ 68.38	\$ 5.13	(All Usage)	
3"	\$ 125.12	\$ 5.13	(All Usage)	
4"	\$ 188.95	\$ 5.13	(All Usage)	
6"	\$ 366.26	\$ 5.13	(All Usage)	
8"	\$ 579.04	\$ 5.13	(All Usage)	
10"	\$ 827.28	\$ 5.13	(All Usage)	

Proposed Scenario 4 (\$5m Slow) Rates - Jan. 1, 2014				
	Monthly Fixed Charge	Monthly Thresholds (ccf)		
		Tier 1 0 - 7	Tier 2 8 - 24	Tier 3 25 +
5/8" or 3/4"	\$ 20.23	\$ 4.28	\$ 5.86	\$9.38
1"	\$ 31.67	\$ 4.28	\$ 5.86	\$9.38
1 1/2"	\$ 50.74	\$ 5.51	(All Usage)	
2"	\$ 73.63	\$ 5.51	(All Usage)	
3"	\$ 134.65	\$ 5.51	(All Usage)	
4"	\$ 203.30	\$ 5.51	(All Usage)	
6"	\$ 393.99	\$ 5.51	(All Usage)	
8"	\$ 622.82	\$ 5.51	(All Usage)	
10"	\$ 889.80	\$ 5.51	(All Usage)	

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Subsequent Year Sewer Rate Schedules



FYE 2011 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.38
1"	\$	6.13
1 1/2"	\$	9.04
2"	\$	12.54
3"	\$	21.86
4"	\$	32.35
6"	\$	61.49
8"	\$	96.46
10"	\$	137.25
Volume (per ccf)	\$	1.00

FYE 2012 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.82
1"	\$	6.74
1 1/2"	\$	9.95
2"	\$	13.79
3"	\$	24.05
4"	\$	35.59
6"	\$	67.64
8"	\$	106.10
10"	\$	150.98
Volume (per ccf)	\$	1.10

FYE 2013 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.30
1"	\$	7.41
1 1/2"	\$	10.94
2"	\$	15.17
3"	\$	26.45
4"	\$	39.15
6"	\$	74.40
8"	\$	116.71
10"	\$	166.07
Volume (per ccf)	\$	1.21

FYE 2014 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.56
1"	\$	7.78
1 1/2"	\$	11.49
2"	\$	15.93
3"	\$	27.78
4"	\$	41.10
6"	\$	78.12
8"	\$	122.55
10"	\$	174.38
Volume (per ccf)	\$	1.27

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Water Revenue Plan: January 1, 2010 Implementation

Scenario #5 (\$5m fast)



Summary of Water Revenue Requirements	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	10%	10%	15%	20%
Rate Stabilization Reserve - Balance	\$ 870,000	\$ 1,141,043	\$ 1,473,433	\$ 2,634,324	\$ 3,797,051
System Reinvestment - % of Target	25%	50%	75%	100%	100%
System Reinvestment - R&R Capital Funding	\$ 1,250,000	\$ 2,500,000	\$ 3,750,000	\$ 5,000,000	\$ 5,000,000
Capital Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve - Beginning Balance	\$ 4,750,327	\$ 2,529,009	\$ 1,541,118	\$ 1,266,015	\$ 1,241,215
Operating Reserve - Ending Balance	\$ 2,529,009	\$ 1,541,118	\$ 1,266,015	\$ 1,241,215	\$ 1,839,797
Operating Reserve - # of days of Operating Expenses	108	69	52	45	58
Revenues					
Water Rate Revenue (Current Rates)	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000	\$ 7,470,000
Other Operating Revenue	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800	\$ 147,800
Non-Operating Revenue	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988	\$ 61,988
Interest Earnings Operating Reserve	\$ 56,788	\$ 50,580	\$ 30,822	\$ 25,320	\$ 24,824
Total	\$ 7,736,576	\$ 7,730,368	\$ 7,710,610	\$ 7,705,108	\$ 7,704,612
Revenues From Rate Increases	\$ 1,307,250	\$ 4,379,288	\$ 7,845,834	\$10,611,193	\$11,674,793
Total Projected Revenues w/ Rate Increase:	\$ 9,043,826	\$12,109,656	\$15,556,445	\$18,316,302	\$19,379,405
Expenses					
Operating Expenses	\$ 4,077,122	\$ 4,305,832	\$ 4,566,697	\$ 4,796,318	\$ 5,038,701
MWD Water Purchases	\$ 4,854,708	\$ 5,825,650	\$ 6,990,780	\$ 7,200,503	\$ 7,416,518
Debt Service	\$ 213,314	\$ 212,422	\$ 214,502	\$ 212,859	\$ 215,563
Rate-Funded System Reinvestment	\$ 1,250,000	\$ 2,500,000	\$ 3,750,000	\$ 5,000,000	\$ 5,000,000
Subtotal:	\$10,395,144	\$12,843,904	\$15,521,979	\$17,209,680	\$17,670,782
Additions(Subtractions) to(from) Operating Reserve	\$ (2,221,318)	\$ (987,891)	\$ (275,104)	\$ (24,800)	\$ 598,583
Additions to Rate Stabilization Reserve	\$ 870,000	\$ 253,643	\$ 309,570	\$ 1,131,422	\$ 1,110,041
Total:	\$ 9,043,826	\$12,109,656	\$15,556,445	\$18,316,302	\$19,379,405
Test Driving Rate Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	17.5%	35.0%	29.3%	18.1%	5.9%
Caldendar Year Rate Increase (January 1)	35.0%	35.0%	25.0%	12.5%	0.0%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Rates



Scenario 5 (\$5m fast) – Water Rates (Tier 1: 0-7 ccf)

Current Water Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	10.73
1"	\$	21.46
1 1/2"	\$	32.19
2"	\$	42.92
3"	\$	107.30
4"	\$	136.26
6"	\$	204.95
8"	\$	283.25
10"	\$	375.54
Volume (per ccf)	\$	1.83

Current Reclaimed Rate	
(per ccf)	\$ 0.85

Current Fireline Rates	
	Fireline
2"	\$ 10.00
3"	\$ 15.00
4"	\$ 20.00
6"	\$ 30.00
8"	\$ 40.00
10"	\$ 50.00
(per ccf)	\$ 1.94

Proposed Scenario 5 (\$5m Fast) Rates - Jan. 1, 2010		Monthly Thresholds (ccf)		
	Monthly Fixed Charge	Tier 1 0 - 7	Tier 2 8 - 30	Tier 3 31 +
5/8" or 3/4"	\$ 11.72	\$ 2.00	\$ 2.99	\$4.63
1"	\$ 21.46	\$ 2.00	\$ 2.99	\$4.63
1 1/2"	\$ 32.19	\$ 2.65	(All Usage)	
2"	\$ 42.92	\$ 2.65	(All Usage)	
3"	\$ 107.30	\$ 2.65	(All Usage)	
4"	\$ 136.26	\$ 2.65	(All Usage)	
6"	\$ 204.95	\$ 2.65	(All Usage)	
8"	\$ 321.20	\$ 2.65	(All Usage)	
10"	\$ 458.31	\$ 2.65	(All Usage)	

Reclaimed Rate: January 1, 2010	
(per ccf)	\$ 1.61

Fireline Rates: January 1, 2010	
	Fireline Fixed
2"	\$ 12.50
3"	\$ 17.20
4"	\$ 22.49
6"	\$ 37.18
8"	\$ 54.81
10"	\$ 75.38
(per ccf)	\$ 4.63

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Water Bill Impacts – Scenario 5(\$5m fast)

Water Bill Impacts - Scenario 5 (\$5m Fast) (Tier 0-7 ccf)								
	Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed Rates	Monthly Bill Increase (Decrease)	Annual Increase (%)	Number of Customers	% of Total	
5/8"	25%	4	\$ 18.05	\$ 19.73	\$ 1.68	9.3%	2945	22.4%
		7	\$ 23.54	\$ 25.74	\$ 2.20	9.4%		
	Median	8	\$ 25.37	\$ 28.73	\$ 3.36	13.2%		
	Average	11	\$ 30.86	\$ 37.69	\$ 6.83	22.1%		
		31	\$ 67.46	\$ 99.08	\$ 31.62	46.9%		
		40	\$ 83.93	\$ 140.71	\$ 56.78	67.7%		
3/4"	25%	4	\$ 18.05	\$ 19.73	\$ 1.68	9.3%	6091	46.3%
		7	\$ 23.54	\$ 25.74	\$ 2.20	9.4%		
		8	\$ 25.37	\$ 28.73	\$ 3.36	13.2%		
	Median	12	\$ 32.69	\$ 40.68	\$ 7.99	24.4%		
		31	\$ 67.46	\$ 99.08	\$ 31.62	46.9%		
		32	\$ 69.29	\$ 103.71	\$ 34.42	49.7%		
1"	25%	4	\$ 28.78	\$ 29.47	\$ 0.69	2.4%	3502	26.6%
		7	\$ 34.27	\$ 35.48	\$ 1.21	3.5%		
		8	\$ 36.10	\$ 38.47	\$ 2.37	6.6%		
	Median	13	\$ 45.25	\$ 53.41	\$ 8.16	18.0%		
	90%	31	\$ 78.19	\$ 108.82	\$ 30.63	39.2%		
		40	\$ 94.66	\$ 150.45	\$ 55.79	58.9%		

Manhattan Beach Updated Rate Scenarios

September 1, 2009



COUNCIL MEETING Sewer Revenue Plan: January 1, 2010 Implementation

Summary of Sewer Revenue Requirements	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014
Assumptions:					
Rate Stabilization Reserve - (% of rate revenues)	10%	15%	15%	20%	20%
Rate Stabilization Reserve - Balance	\$ 188,769	\$ 428,625	\$ 500,063	\$ 733,425	\$ 787,559
System Reinvestment - % of Target	0%	50%	75%	75%	100%
System Reinvestment - R&R Capital Funding	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Capital Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Operating Reserve - Beginning Balance	\$ (255,480)	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828
Operating Reserve - Ending Balance	\$ 177,927	\$ 223,175	\$ 242,242	\$ 382,828	\$ 190,426
Operating Reserve - # of days of Operating Expenses	53	64	67	102	49
Revenues					
Sewer Rate Revenue	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000
Other Operating Revenue	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
Interest Earnings Operating Reserve	\$ 1,500	\$ 3,559	\$ 4,464	\$ 4,845	\$ 7,657
Total	\$ 1,309,500	\$ 1,311,559	\$ 1,312,464	\$ 1,312,845	\$ 1,315,657
Revenues From Rate Increases	\$ 635,000	\$ 1,587,500	\$ 2,063,750	\$ 2,397,125	\$ 2,667,794
Total Projected Revenues w/ Rate Increase:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Expenses					
Operating Expenses	\$ 1,216,006	\$ 1,263,221	\$ 1,313,750	\$ 1,366,300	\$ 1,420,952
Existing Debt Service	\$ 106,318	\$ 104,508	\$ 105,532	\$ 104,722	\$ 105,654
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Capital Project Funding From User Fees	\$ -	\$ -	\$ -	\$ -	\$ -
System Reinvestment Expense	\$ -	\$ 1,250,000	\$ 1,875,000	\$ 1,875,000	\$ 2,500,000
Subtotal:	\$ 1,322,324	\$ 2,617,729	\$ 3,294,282	\$ 3,346,022	\$ 4,026,606
Additions(Subtractions) to(from) Operating Reserve	\$ 433,407	\$ 45,248	\$ 19,066	\$ 140,586	\$ (192,402)
Additions to Rate Stabilization Reserve	\$ 188,769	\$ 236,081	\$ 62,865	\$ 223,361	\$ 39,465
Additions to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ 109,782
Total:	\$ 1,944,500	\$ 2,899,059	\$ 3,376,214	\$ 3,709,970	\$ 3,983,450
Test Driving Increase	Cash	Cash	Cash	Cash	Cash
Fiscal Year Revenue Increase (w/ Scheduled Rate Increases Every January 1)	50.0%	50.0%	16.7%	10.0%	7.4%
Calendar Year Rate Increase (January 1)	100.0%	25.0%	10.0%	10.0%	5.0%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Current Sewer Rates

Current Sewer Rates	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 1.66
1"	\$ 3.32
1 1/2"	\$ 4.98
2"	\$ 6.64
3"	\$ 16.60
4"	\$ 21.07
6"	\$ 31.69
8"	\$ 43.81
10"	\$ 58.07
Volume (per ccf)	\$ 0.40

Proposed Sewer Rates

Proposed Sewer Rates: Jan. 1, 2010	
	Monthly Fixed Charge
5/8" or 3/4"	\$ 3.50
1"	\$ 4.90
1 1/2"	\$ 7.23
2"	\$ 10.03
3"	\$ 17.49
4"	\$ 25.88
6"	\$ 49.19
8"	\$ 77.17
10"	\$ 109.80
Volume (per ccf)	\$ 0.80

Sewer Bill Impacts

Sewer Bill Impacts								
		Usage (ccf)	Monthly Bills Under Current Rates	Monthly Bills Under Proposed 2010 Rates	Monthly Bill Increase (Decrease)	Bill Increase (%)	Number of Customers	% of Total
5/8"	25%	4	\$ 3.26	\$ 6.70	\$ 3.44	105.5%	2934	22.5%
	Median	8	\$ 4.86	\$ 9.90	\$ 5.04	103.6%		
	Average	11	\$ 5.86	\$ 11.89	\$ 6.03	103.0%		
	90%	21	\$ 10.06	\$ 20.28	\$ 10.22	101.6%		
3/4"	25%	7	\$ 4.46	\$ 9.10	\$ 4.64	104.0%	6073	46.5%
	Median	12	\$ 6.46	\$ 13.09	\$ 6.63	102.7%		
	Average	14	\$ 7.26	\$ 14.69	\$ 7.43	102.3%		
	90%	26	\$ 11.86	\$ 23.88	\$ 12.02	101.3%		
1"	25%	7	\$ 5.92	\$ 10.10	\$ 4.18	70.5%	3485	26.7%
	Median	13	\$ 8.32	\$ 14.89	\$ 6.57	79.0%		
	Average	16	\$ 9.52	\$ 17.29	\$ 7.77	81.6%		
	90%	30	\$ 15.12	\$ 28.47	\$ 13.35	88.3%		



Manhattan Beach Updated Rate Scenarios

September 1, 2009

Combined Water & Sewer Rate Impacts – Scenario 5 (\$5m fast)



Utility Bill Impacts - Scenario 5 (\$5m Fast)*	2009	2010	2011	2012	2013	2014
Median Monthly Water Bill:						
(3/4" meter)	\$32.69	\$40.68	\$55.69	\$69.18	\$77.86	\$77.86
Median Monthly Sewer Bill:						
(3/4" meter)	\$6.46	\$13.09	\$16.36	\$18.00	\$19.80	\$20.79
Monthly Utility Bill:	\$39.15	\$53.77	\$72.06	\$87.18	\$97.66	\$98.65
Annual Increase (%)		37.4%	34.0%	21.0%	12.0%	1.0%

Monthly Utility Bill w/ 10% Reduction:**	\$39.15	\$49.83	\$65.82	\$79.46	\$89.02	\$89.94
Annual Increase (%)		27.3%	32.1%	20.7%	12.0%	1.0%

**FY 2009/10 Reflects Jan. 1, 2010 Implementation*

***2010 and Beyond Reflect Achievement of 10% Curtailment Goal*

Manhattan Beach Updated Rate Scenarios

September 1, 2009



Water Scenario 5 Neighborhood Comparison

Community	Meter Size	Meter Charge	Monthly Consumption (ccf)	Tiers	Volume Charge	Monthly Bill
Santa Monica	Single Family	None	12	Tier 1 (0 - 14 ccf) Tier 2 (15 - 40 ccf) Tier 3 (41 - 148 ccf) Tier 4 (149+ ccf)	\$ 1.65 \$ 2.47 \$ 3.70 \$ 5.78	\$ 19.80
Huntington Beach	5/8" or 3/4"	\$ 10.75	12	All Usage	\$ 1.56	\$ 29.44
El Segundo	5/8" x 3/4"	\$ 11.26	12	Tier 1 (2 ccf) Tier 2 (3-5 ccf) Tier 3 (6-10 ccf) Tier 4 (11+ ccf)	\$ 1.51 \$ 1.67 \$ 1.75 \$ 1.83	\$ 31.69
Hermosa Beach, Redondo Beach	3/4"	12.97	12	Tier 1 (0 - 10 ccf) Tier 2 (11 - 16 ccf) Tier 3 (17+ ccf)	\$ 2.16 \$ 2.73 \$ 3.21	\$ 40.00
Manhattan Beach - Scenario 5 (\$5m fast)	5/8" & 3/4"	\$ 11.72	12	Tier 1 (0-7 ccf) Tier 2 (8 - 30 ccf) Tier 3 (31+ ccf)	\$ 2.00 \$ 2.99 \$ 4.63	\$ 40.68
Claremont, Pomona, Cypress, Los Alamitos, Placentia, Seal Beach, Stanton, San Dimas, Arcadia	3/4"	\$ 22.70	12	Tier 1 (0 - 12 ccf) Tier 2 (13+ ccf)	\$ 2.15 \$ 2.47	\$ 48.48
Palos Verdes, Rolling Hills, Lomita, Rancho Palos Verdes	3/4"	17.67	12	Tier 1 (0 - 15 ccf) Tier 2 (16 - 36 ccf) Tier 3 (37+ ccf)	\$ 2.61 \$ 2.80 \$ 3.36	\$ 49.05
Carson, Los Angeles, Long Beach	3/4"	17.67	12	Tier 1 (0 - 15 ccf) Tier 2 (16 - 36 ccf) Tier 3 (37+ ccf)	\$ 2.61 \$ 2.80 \$ 3.36	\$ 49.05
Cerritos, Compton, Culver City, Gardena, Hawthorne, Inglewood	3/4"	\$ 18.65	12	Tier 1 (0 - 16 ccf) Tier 2 (17+ ccf)	\$ 2.69 \$ 3.10	\$ 50.95

Sewer Neighborhood Comparison

Community	Meter Size	Meter Charge	Monthly Consumption (ccf)	Tiers	Volume Charge	Monthly Bill
Manhattan Beach	5/8" and 3/4"	\$ 3.50	12	All Usage	\$ 0.80	\$ 13.09
El Segundo	5/8" and 3/4"	\$ 4.49	12	All Usage	\$ 0.50	\$ 10.49
Redondo Beach	Single Family	\$ 7.00	Flat Fee	None	None	\$ 7.00
Santa Monica	5/8" & 3/4"	\$ 4.75	12	51% of usage, at \$2.94 per ccf		\$ 22.74
Huntington Beach	5/8" or 3/4"	\$ 5.30	Flat Fee	None		\$ 5.30
Seal Beach	Single Family					
	22% of Water + Capital Fee	\$ 4.68	Flat Fee	None		\$ 10.51
	Master Plan Fee	\$ 5.83				

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bill Impacts – Scenario 5 (\$5m slow)



Large Users:	Usage (ccf)	Existing Monthly Bill	Proposed FY 2009/10 Monthly Bill	Monthly Bill Increase (Decrease)	Bill Increase (%)
# 1 6" Northrop Meter	9874.42	\$ 18,275.13	\$ 26,325.44	\$ 8,050.31	44.1%
# 2 10" Northrop Meter	6066.92	\$ 11,478.00	\$ 16,506.94	\$ 5,028.94	43.8%
# 3 8" Hotel Meter	2034.67	\$ 4,006.69	\$ 5,703.44	\$ 1,696.75	42.3%
# 4 4" Hotel Meter	1670.08	\$ 3,192.51	\$ 4,554.08	\$ 1,361.57	42.6%
# 5 2" LA County Meter	866.75	\$ 1,629.07	\$ 2,335.71	\$ 706.63	43.4%
# 6 2" Business Meter	831.917	\$ 1,565.33	\$ 2,243.56	\$ 678.24	43.3%
# 7 3" Business Meter	674.75	\$ 1,342.09	\$ 1,892.20	\$ 550.10	41.0%
# 8 2" Car Wash Meter	610.667	\$ 1,160.44	\$ 1,658.30	\$ 497.86	42.9%
# 9 2" Mall Meter	523.5	\$ 1,000.93	\$ 1,427.72	\$ 426.79	42.6%
# 10 4" Business Meter	509.917	\$ 1,069.41	\$ 1,485.13	\$ 415.72	38.9%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Top Users' Sample Bills (Sewer)



	Usage (ccf)	Existing Monthly Bill	Proposed 2010 Monthly Bill	Monthly Bill Increase (Decrease)	Monthly Increase (%)
#1 6" Northrop Meter	9874	\$ 3,981.46	\$ 7,939.63	\$ 3,958.17	99.4%
#2 10" Northrop Meter	6067	\$ 2,484.84	\$ 4,957.75	\$ 2,472.91	99.5%
#3 8" Hotel Meter	2035	\$ 857.67	\$ 1,703.02	\$ 845.35	98.6%
#4 4" Hotel Meter	1670	\$ 689.10	\$ 1,360.41	\$ 671.31	97.4%
#5 2" LA County Meter	867	\$ 353.34	\$ 702.63	\$ 349.30	98.9%
#6 2" Business Meter	832	\$ 339.40	\$ 674.80	\$ 335.40	98.8%
#7 3" Business Meter	675	\$ 286.50	\$ 556.67	\$ 270.17	94.3%
#8 2" Car Wash Meter	611	\$ 250.90	\$ 498.00	\$ 247.10	98.5%
#9 2" Mall Meter	524	\$ 216.04	\$ 428.35	\$ 212.31	98.3%
#10 4" Business Meter	510	\$ 225.04	\$ 433.35	\$ 208.31	92.6%

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Subsequent Year Water Rate Schedules



Proposed Scenario 5 (\$5m Fast) Rates - Jan. 1, 2011				
	Monthly Fixed Charge	Monthly Thresholds (ccf)		
		Tier 1 0 - 7	Tier 2 8 - 30	Tier 3 31 +
5/8" or 3/4"	\$ 14.73	\$ 2.85	\$ 4.20	\$6.45
1"	\$ 22.62	\$ 2.85	\$ 4.20	\$6.45
1 1/2"	\$ 35.76	\$ 3.73	(All Usage)	
2"	\$ 51.54	\$ 3.73	(All Usage)	
3"	\$ 107.30	\$ 3.73	(All Usage)	
4"	\$ 140.95	\$ 3.73	(All Usage)	
6"	\$ 272.44	\$ 3.73	(All Usage)	
8"	\$ 430.22	\$ 3.73	(All Usage)	
10"	\$ 614.31	\$ 3.73	(All Usage)	

Proposed Scenario 5 (\$5m Fast) Rates - Jan. 1, 2012				
	Monthly Fixed Charge	Monthly Thresholds (ccf)		
		Tier 1 0 - 7	Tier 2 8 - 30	Tier 3 31 +
5/8" or 3/4"	\$ 17.18	\$ 3.62	\$ 5.33	\$8.19
1"	\$ 26.98	\$ 3.62	\$ 5.33	\$8.19
1 1/2"	\$ 43.31	\$ 4.74	(All Usage)	
2"	\$ 62.92	\$ 4.74	(All Usage)	
3"	\$ 115.19	\$ 4.74	(All Usage)	
4"	\$ 174.01	\$ 4.74	(All Usage)	
6"	\$ 337.37	\$ 4.74	(All Usage)	
8"	\$ 533.41	\$ 4.74	(All Usage)	
10"	\$ 762.11	\$ 4.74	(All Usage)	

Proposed Scenario 5 (\$5m Fast) Rates - Jan. 1, 2013				
	Monthly Fixed Charge	Monthly Thresholds (ccf)		
		Tier 1 0 - 7	Tier 2 8 - 30	Tier 3 31 +
5/8" or 3/4"	\$ 19.42	\$ 4.07	\$ 5.99	\$9.20
1"	\$ 30.45	\$ 4.07	\$ 5.99	\$9.20
1 1/2"	\$ 48.84	\$ 5.32	(All Usage)	
2"	\$ 70.90	\$ 5.32	(All Usage)	
3"	\$ 129.74	\$ 5.32	(All Usage)	
4"	\$ 195.93	\$ 5.32	(All Usage)	
6"	\$ 379.79	\$ 5.32	(All Usage)	
8"	\$ 600.42	\$ 5.32	(All Usage)	
10"	\$ 857.83	\$ 5.32	(All Usage)	

Proposed Scenario 5 (\$5m Fast) Rates - Jan. 1, 2014				
	Monthly Fixed Charge	Monthly Thresholds (ccf)		
		Tier 1 0 - 7	Tier 2 8 - 30	Tier 3 31 +
5/8" or 3/4"	\$ 19.42	\$ 4.07	\$ 5.99	\$9.20
1"	\$ 30.45	\$ 4.07	\$ 5.99	\$9.20
1 1/2"	\$ 48.84	\$ 5.32	(All Usage)	
2"	\$ 70.90	\$ 5.32	(All Usage)	
3"	\$ 129.74	\$ 5.32	(All Usage)	
4"	\$ 195.93	\$ 5.32	(All Usage)	
6"	\$ 379.79	\$ 5.32	(All Usage)	
8"	\$ 600.42	\$ 5.32	(All Usage)	
10"	\$ 857.83	\$ 5.32	(All Usage)	

Manhattan Beach Updated Rate Scenarios

September 1, 2009

Subsequent Year Sewer Rate Schedules



FYE 2011 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.38
1"	\$	6.13
1 1/2"	\$	9.04
2"	\$	12.54
3"	\$	21.86
4"	\$	32.35
6"	\$	61.49
8"	\$	96.46
10"	\$	137.25
Volume (per ccf)	\$	1.00

FYE 2012 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	4.82
1"	\$	6.74
1 1/2"	\$	9.95
2"	\$	13.79
3"	\$	24.05
4"	\$	35.59
6"	\$	67.64
8"	\$	106.10
10"	\$	150.98
Volume (per ccf)	\$	1.10

FYE 2013 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.30
1"	\$	7.41
1 1/2"	\$	10.94
2"	\$	15.17
3"	\$	26.45
4"	\$	39.15
6"	\$	74.40
8"	\$	116.71
10"	\$	166.07
Volume (per ccf)	\$	1.21

FYE 2014 Proposed Sewer Rates		
	Monthly Fixed Charge	
5/8" or 3/4"	\$	5.56
1"	\$	7.78
1 1/2"	\$	11.49
2"	\$	15.93
3"	\$	27.78
4"	\$	41.10
6"	\$	78.12
8"	\$	122.55
10"	\$	174.38
Volume (per ccf)	\$	1.27