



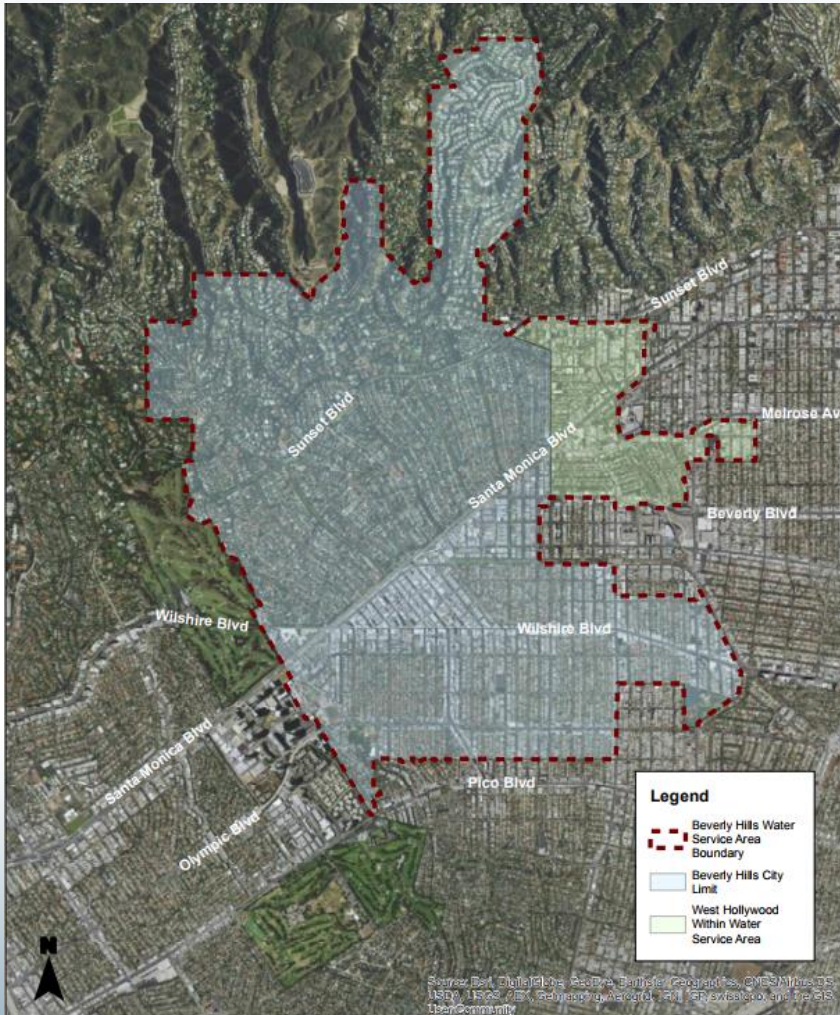
WEST HOLLYWOOD SERVICE COMMITMENTS

Public Works Commission

October 12, 2017



Background



- Approximately 11,000 water customers
- 17.4% of customers in West Hollywood



Background

- Service for West Hollywood area since 1928
 - Purchased Sherman Water Company
 - Opportunity to increase water supplies to accommodate City's growth
 - Prior to deliveries from Metropolitan Water District of Southern California (MWD)
- Water Utility obligated to provide water to all customers, subject to the same rules & restrictions



MWD Deliveries

- Founding member of MWD
- MWD Act protects City's preferential right to purchase water:
 - 10-year purchase order with MWD ends in 2025
 - Purchase minimum of 8,920 acre-feet annually
 - Purchase up to 13,380 acre-feet at Tier 1 charges
 - Additional water available at Tier 2 charges



Water Will Serve Process

- Analyzes water impact of new projects
- Review site plans, size of project, anticipated water demand
 - Complete hydraulic analysis & modeling for larger projects
 - Developer may be required to add additional infrastructure
 - Developer pays for both analysis and, if needed, additional infrastructure



Water Will Service Legal Considerations

- Considerations:
 - All customers treated equally
 - Cost-based fees
 - Data-justified fees



Water Will Serve Process

- Water Capacity Fee
 - To “re-pay” current customers for their investment in system infrastructure
 - Charged based on meter size or square footage of project
 - For all new meter requests and/or new projects
 - Fees collected used only for capital projects



Water Will Serve Process

- Water Supply Fee
 - To address the demand for additional water supply from new projects
 - Focuses on local reliability (Water Enterprise Plan)
 - Based on the cost of developing additional local water supplies beyond the WEP
 - Pays for developing additional infrastructure beyond WEP



Water Will Serve Process

Meter Size	Processing Analysis & Plan Check	Connection Fees		Water Capacity Fee	Water Supply Fee	Additional Infrastructure
		Inside City	Outside City			
1"	At Cost	\$11,030.63	\$13,788.29	\$14,912	\$14,666	At Cost
1.5"	At Cost	\$12,580.16	\$15,725.20	\$29,824	\$29,332	At Cost
2"	At Cost	\$12,580.16	\$15,725.20	\$47,719	\$46,932	At Cost
3"	At Cost	\$22,270.18	\$27,837.73	\$89,473	\$87,997	At Cost
4"	At Cost	\$25,133.59	\$31,416.99	\$149,121	\$146,661	At Cost
6"	At Cost	\$32,566.19	\$40,707.74	\$298,243	\$293,322	At Cost
New or Remodel Projects Greater than 1,000 Square Feet						
Cost per 1000 square feet (SF)	At Cost	n/a		\$1.88 per SF	\$1.47 per SF	TBD



Next Steps

- Re-visit water capacity fee & water supply fee in November 2017
 - Anticipated 30% from local sources through WEP implementation



QUESTIONS?



Water Fund Reserve Balance

