



## **Non-Residential Water Bills: Water Entitlements, Water Budgets, and Baselines**

MMWD utilizes different rate structures for our residential and non-residential accounts. Residential water bills are calculated using the same tier breakpoints for all sites. Non-residential water use is billed using a more site-specific method.

Every non-residential water service has a **water entitlement** and a **water budget**.

**Water entitlement:** the maximum amount of water the District is committed to supply any individual service on an annual basis (District Code 11.08.180).

**Water budget:** the District's determination of the actual consumption requirement of the service (District Code 11.08.035).

The water budget may be less than or equal to the water entitlement, but may never exceed the entitlement. As a result, if the District calculates a site's water budget at a level higher than the site's entitlement, an increase to the entitlement will be required before the water budget will be increased. (See "Changes to the Water Entitlement and Water Budget" below.)

### **How Entitlements Are Established**

#### Accounts that were on service prior to 1991

The entitlement is based upon the historical water use for that site or the purchased water entitlement, whichever is greater.

#### New accounts (i.e. where no water meter previously existed for the site)

The entitlement equals the amount purchased through connection fees, which are based on calculations performed by MMWD's Engineering Department. These calculations take many factors into consideration, including the type of use the site will have, the number of people using the site, etc.

#### New dedicated irrigation accounts

The water entitlement purchased through connection fees is based upon a review of the project's landscape plans in accordance with the district's landscape plan review process.

### **How the Non-Residential Water Bill is Calculated**

The billing structure for non-residential meters is tied to the meter's water budget. The water budget is divided into six bi-monthly allocations referred to as **baselines**. For example, if a site has a water budget of 600 CCF it may be allocated over the six billing periods as follows:

$$\frac{\text{Water Budget}}{600 \text{ CCF}} = \frac{\text{Baselines (CCF)}}{\begin{matrix} \text{FEB} & \text{APR} & \text{JUN} & \text{AUG} & \text{OCT} & \text{DEC} \\ 100 & 100 & 100 & 100 & 100 & 100 \end{matrix}}$$

**Note:** CCF = one-hundred cubic feet = 748 gallons

Although the table above shows the baselines allocated evenly over the year, this is not a requirement. In some cases, there are advantages to allocating more baseline water in the summer months (i.e. sites with both indoor use and irrigation).

The baselines directly impact how much water is available to the site at the lowest water rate (Tier 1) during each billing period. When the water meter is read, the water use is compared to the baseline for that billing period and the tier breakpoints are calculated as follows:

#### Business, Institutional and Irrigation Customers

Tier	Rate per CCF*	(% of Baseline)
1	\$3.65	0-85%
2	\$9.37	86-150%
3	\$14.41	Over 150%

(\*Rates effective January 1, 2016; one CCF, or hundred cubic feet, is 748 gallons.)

For example, if a baseline was set at 100 CCF (as shown above) the site would receive the first 85 CCFs of water used at Tier 1 (85% x 100 CCF). Tier 2 rates would apply to any water use over 85 CCF and below 150 CCF. Tier 3 rates would apply to all water use over 150 CCFs.

### Changes to the Water Entitlement and Water Budget

The entitlement and water budget do not automatically increase/decrease as businesses change or as a business's water use increases/decreases.

**Entitlements** can only be increased through: (1) purchasing additional entitlement or (2) transferring entitlement from another eligible meter.

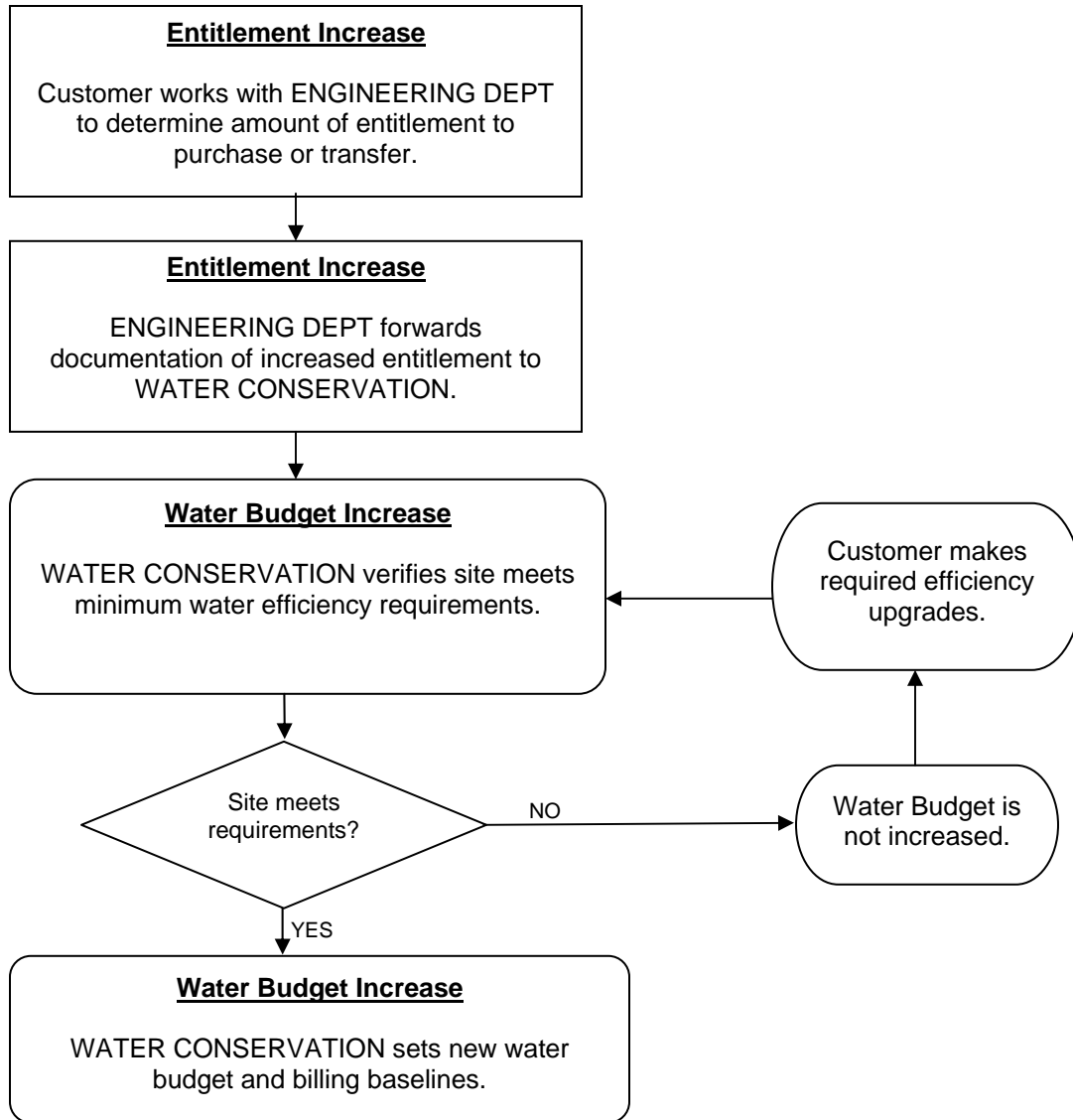
**Water budgets** can only be increased if: (1) the water budget is less than the entitlement and (2) the site meets minimum efficiency requirements as stated in the District Code.

Requests to change an entitlement are handled through the district's Engineering Department, while requests to change a water budget are handled through the Water Conservation Department.

**Please Note:**

The purchase or transfer of entitlement to a meter does not automatically increase the meter’s water budget. The site must be inspected by Conservation staff to ensure minimum efficiency standards have been met before an increase to the water budget will be considered.

Prior to considering an increase to the entitlement, every effort should be made to reduce the water use at the site through efficiency improvements. This is often the most cost-effective method of reducing the water bill.



**MMWD Contact Information**

Water Entitlements: (415) 945-1530

Water Budgets: (415) 945-1520