



VENTURA  
WATER.

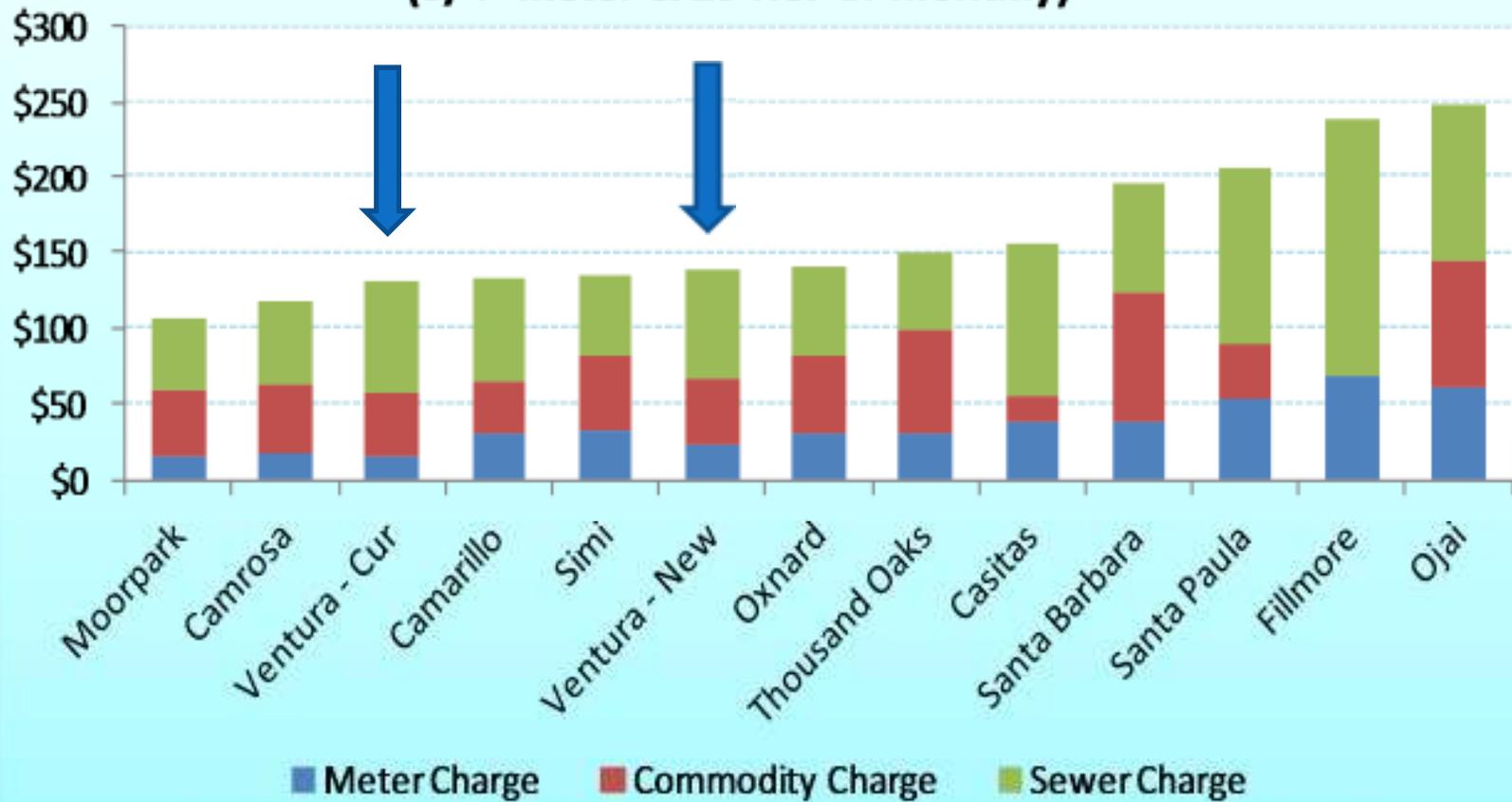


# **Water and Wastewater Cost of Service Report and Rate Outreach Plan**

**Shana Epstein, General Manager**

**City Council Presentation  
March 19, 2012**

### Total Bill Comparison (3/4" meter & 20 HCF Bi-monthly)



# Executive Summary

- Cost of Service and Rate Design Report
- Proposed Rates
- Proposition 218 Process
- Outreach Plan



# Capital Investment 2012-2014

## Water Utility

Pipelines	\$12,062,500
Facilities	540,000
Pump Stations	2,430,000
Tanks	4,978,789
Treatment	500,000
Wells	6,990,000

## Wastewater Utility

Pipelines	\$4,900,285
Facilities	200,000
Lift Stations	700,000
Treatment	13,735,000
Estuary	25,000



**Total \$27,501,289**  
**75% \$20,625,967**



**Total \$19,560,285**  
**75% \$13,218,964**

# Study Process Overview

## Phase 1

### Policy Development

- Rate Design and Financial Policy Workshop
- Usage Analysis

## Phase 2

### Model Development

- Financial Plan
- Cost of Service Analysis
- Rate & Fee Calculations
- Customer Impact Analysis

## Phase 3

### Rate Adoption

- Report Development
- Presentation
- Prop 218 Public Hearing
- Public Outreach

# Water Utility Overview

- 2-year revenue generates approximately \$3.4M
- Meter service charge increased (recovers 25% of revenues)
- 3-tier structure modified
- Outside City rates changed



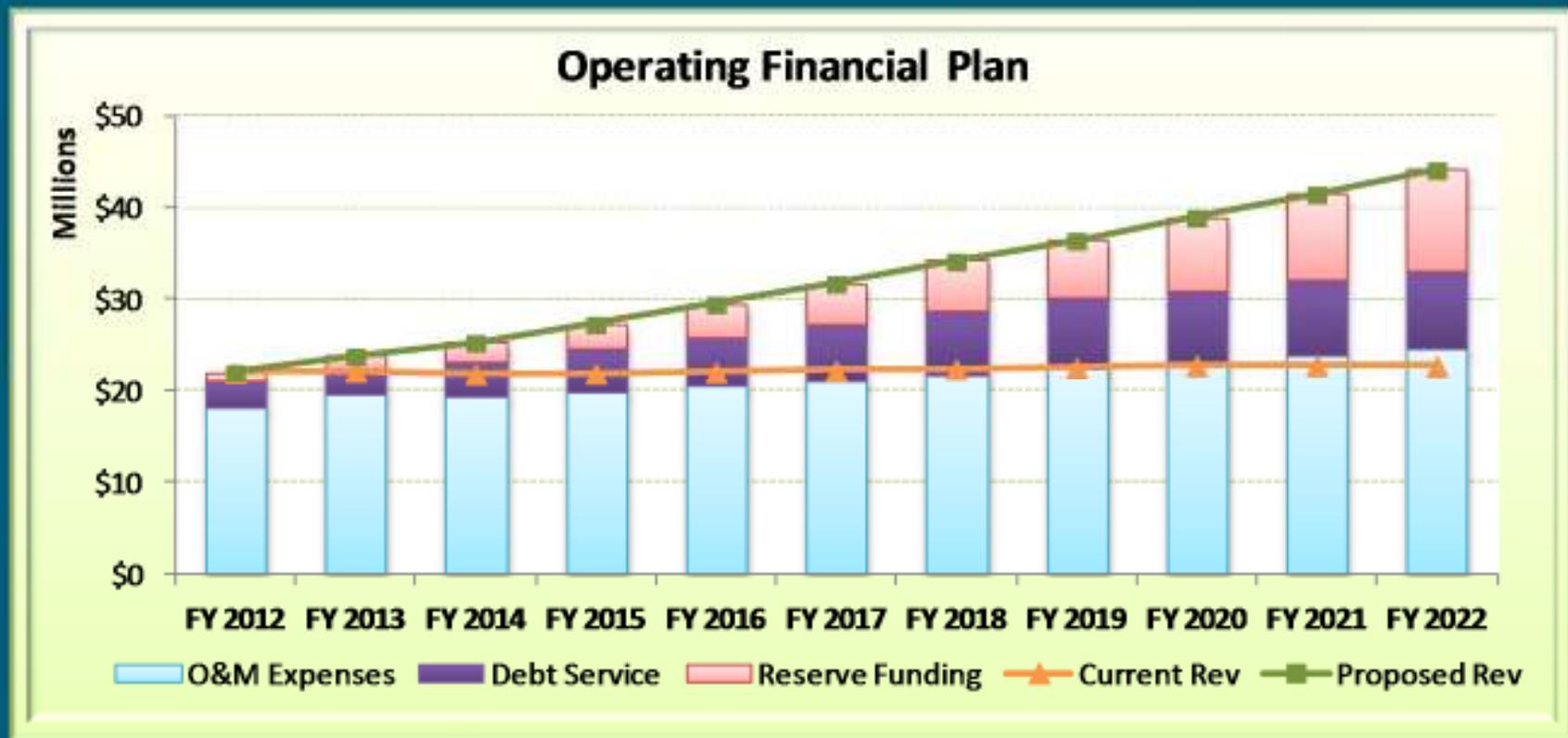
# Water Tiers

- Single and multi-family residential tiers adjusted to reflect current usage

Single Family Residence	
Current	Proposed
0 to 16	0 to 14
17 to 42	15 to 30
42+	31+

Multi-Family Residence	
Current	Proposed
0 to 10	0 to 10
11 to 24	11 to 16
24+	16+

# Operating Financial Plan - Water

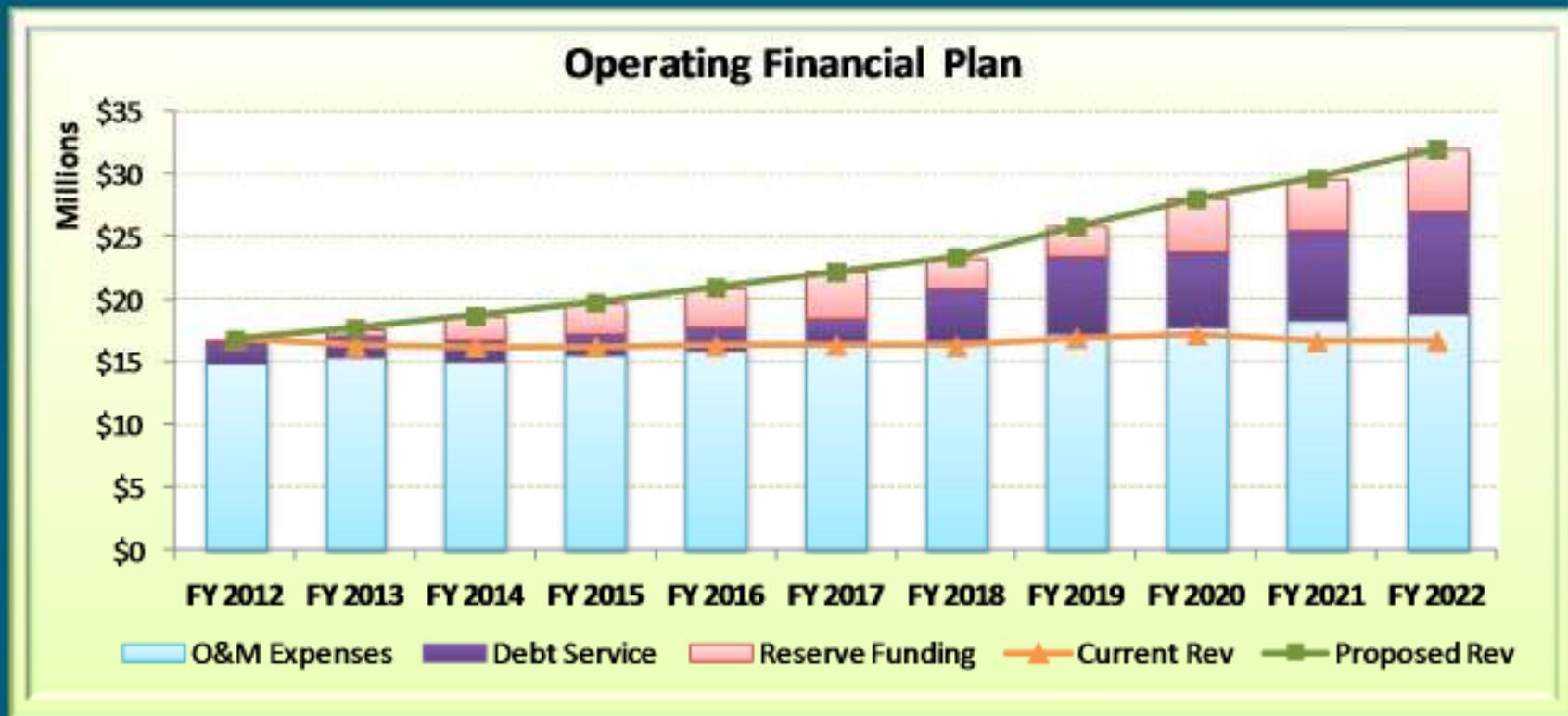


# Wastewater Utility Overview

- 2-year revenue generates approximately \$2.4M
- Estuary protection charge
- Residential winter averaging
- Fixed plus flow charges
- Residential flow charges capped



# Operating Financial Plan - WW



# Estuary Protection Charge

- Separate line item on bills
- Funds planning
- 2% year one
- 4% year two



# Winter Average

- Residential customers
- Average of two bills received February through May
- Usage period varies by billing series
- Set annually
- New billing starts July each year



# Winter Average Example

## Customer #1 College Area (Series 5)

January 6 – March 7 = 15 HCF

(bill received March 14)

March 8 – May 9 = 17 HCF

(bill received May 16)

16 Winter Average = \$61.58 Bi-Monthly

# Winter Average Example

## Customer #2 Wells Saticoy Area (Series 3)

December 14 – February 14 = 12 HCF

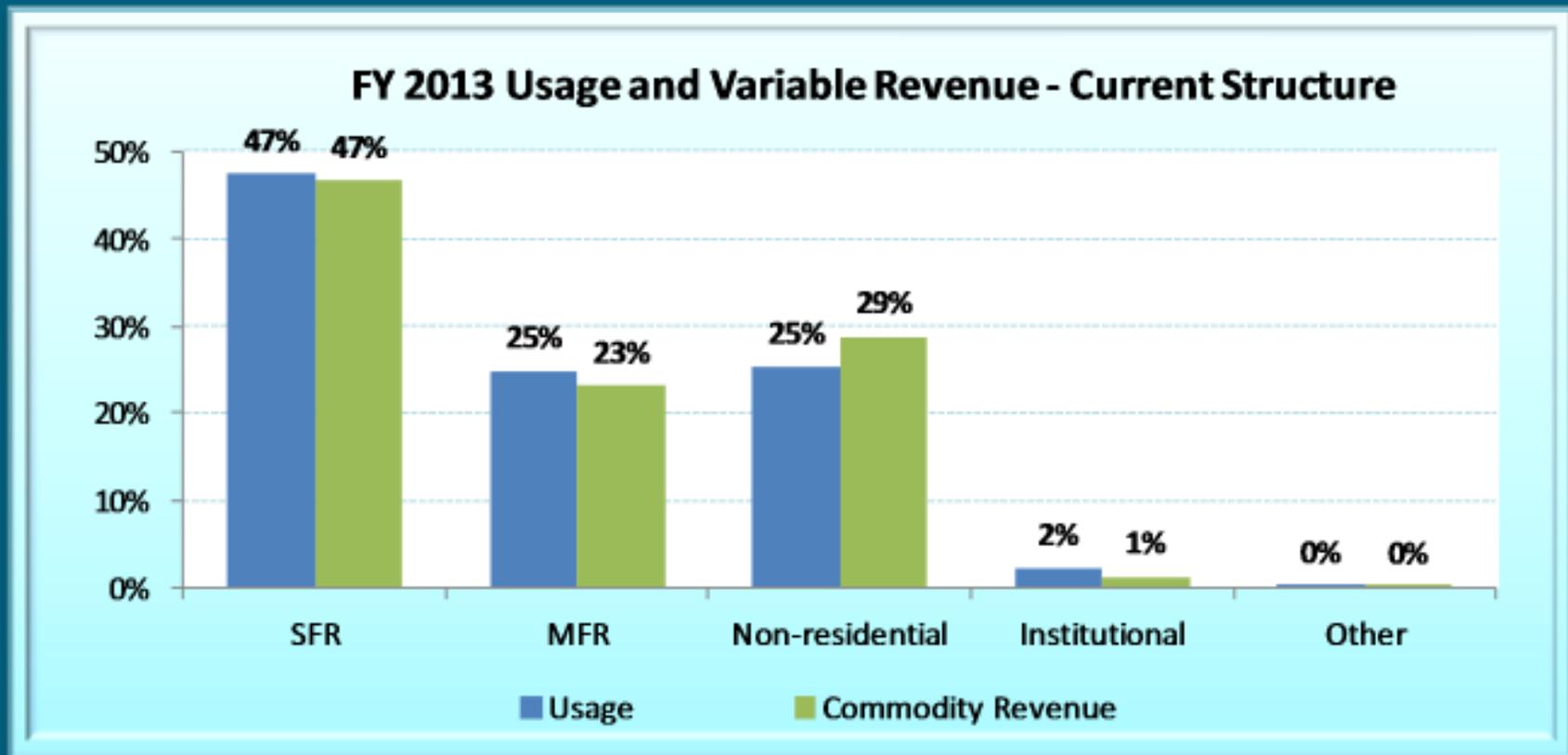
(bill received February 22)

February 15 – April 17 = 16 HCF

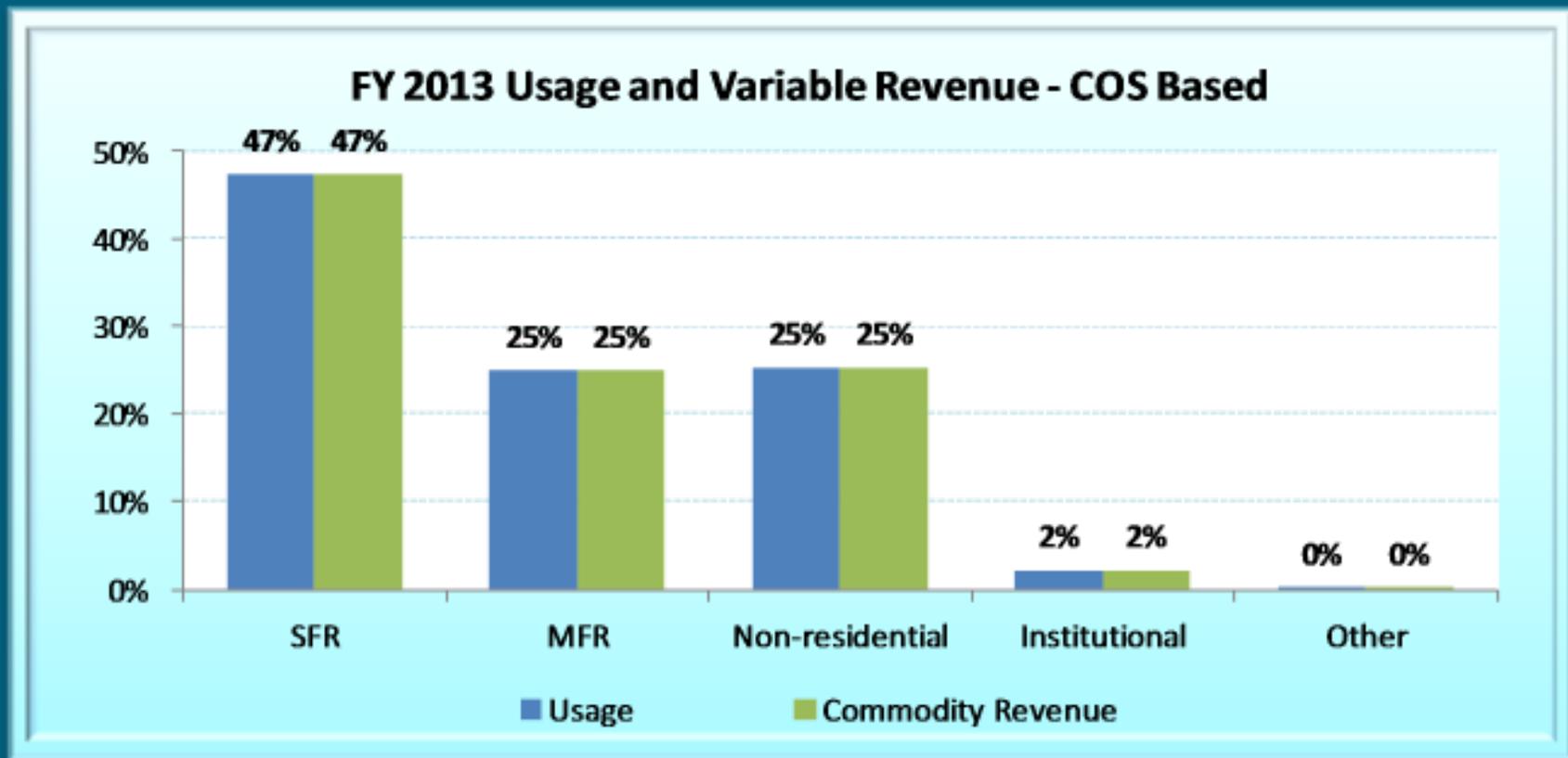
(bill received April 25)

14 HCF Winter Average = \$56.13 Bi-Monthly

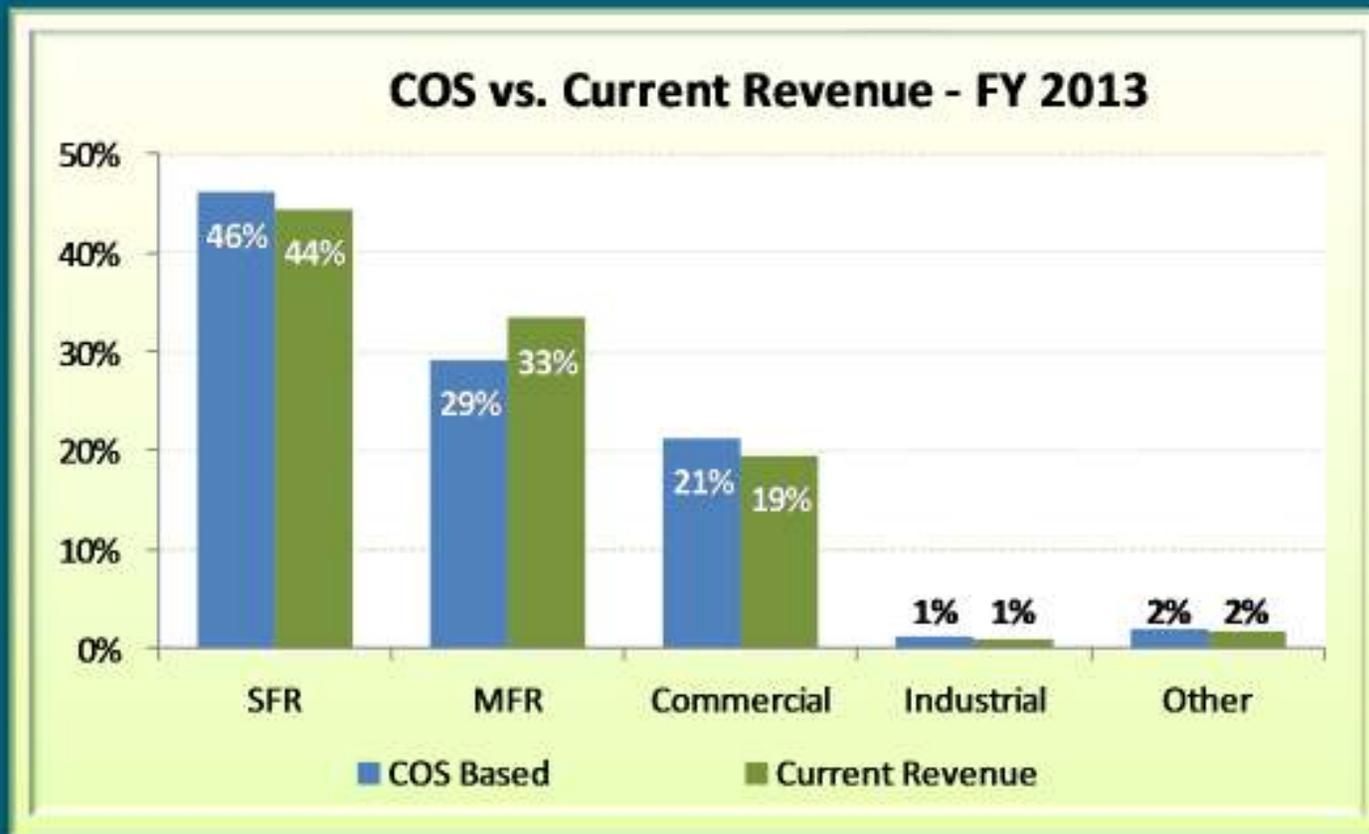
# Current Usage and Revenue -Water



# Cost of Service Alignment - Water



# Cost of Service - Wastewater





# Single Family Total Bi-monthly Combined Bill

SFR	Usage (hcf)	Winter	Current Total	July 1, 2012	July 1, 2013	Difference 1	Difference 2
Very Low	5	5	\$59.40	\$64.66	\$69.39	\$5.26	\$4.73
Low	12	10	\$81.51	\$92.14	\$98.89	\$10.63	\$6.75
Average	21	15	\$126.16	\$128.54	\$138.07	\$2.38	\$9.53
High	35	25	\$171.16	\$202.04	\$217.17	\$30.88	\$15.14
Very High	50	30	\$223.94	\$281.81	\$303.40	\$57.87	\$21.60

Note: Assume 3/4" meter, fixed charge @ 25% of rate revenue



# Proposition 218 Process

- Proposition 218 Notice
  - April 2
- Public Hearing
  - May 21
- Final Adoption
  - June 4
- Rates Effective
  - July 4



# Outreach Plan

- Website Information
- Bill Calculator Tool
- Social Media
- Media – Pipeline, Print, Radio
- Town Hall Information Meeting  
– April 18 at Sanjon Yard 6 pm
- Events
- Community Presentations



# Recommendations

- a. Accept the final Cost of Service and Rate Design Report prepared by Raftelis Financial Consultants, in collaboration with staff and the citizen Cost of Service and Rate Design Advisory Committee.

# Recommendations

- b. Approve the recommendation from the joint Cultural Affairs and Public Art Commissions to sustain a moratorium on eligible water and wastewater capital projects from the public art obligation for the next two years and direct staff to ensure that funding is available for conservation and maintenance activities of existing water art elements. Since this is a limited time frame and not a policy change, it is also recommended that Council retain this allocation within the proposed rates and redirect it to build water and wastewater capital reserves more quickly.

# Recommendations

- c. Direct staff to proceed with a public notice and schedule a public hearing for the proposed recommended rates outlined in the final Cost of Service and Rate Design Report in compliance with Proposition 218 requirements.
- d. Direct staff to implement a Community Outreach Plan to communicate the impacts of the proposed rate adjustments as well as the value of Ventura's water resources.