



## **Proposed Water and Wastewater Rates Frequently Asked Questions (FAQ)**

### **1. What changes are being proposed?**

The proposal for water rates modifies the three tiers of water consumption and changes the service charge to be equivalent to 25% of the overall revenue needs of the Water Utility. The proposal for wastewater rates replaces the existing residential tiers with a fixed charge plus winter water use average and adds a separate Estuary Protection charge.

### **2. Why is there a proposed change in water and wastewater rates?**

The funds generated by water and wastewater rates are used to provide safe drinking water and clean wastewater for 109,000+ residents. This money funds operations, maintenance and repairs, debt payments, emergency reserves and capital projects within each utility. Based on the financial plan for the next two fiscal years, it is projected that an additional \$3.4 million and \$2.4 million for the water and wastewater utilities, respectively, are needed to support the fiscal health of these vital services. Increased revenue is necessary, in part, to protect the financial integrity of the Wastewater Utility as current revenues are not projected to meet required debt coverage ratio or bond covenants required to allow the utility to borrow funds for capital reinvestment.

### **3. How do I know that the proposed rates are equitable?**

A new Cost of Service and Rate Design Study was recently completed to ensure that the proposed rates are equitable and comply with Proposition 218 requirements. The Cost of Service Study assesses that customers by category are paying their equitable portion of the costs for the services they are consuming. Since the last study that established the existing structure was conducted in the early 1990s, a nine-member citizen Advisory Committee of Ventura volunteers was formed to offer community input during the six-month study and rate design process. The Committee prioritized the objectives to be achieved with rates: cost based allocations, revenue stability, rate stability, conservation and defensibility. The complete study is available at [www.cityofventura.net/water/rates](http://www.cityofventura.net/water/rates) or may be reviewed at the Ventura City Clerk's office at 501 Poli Street (Room 204), Ventura during public business hours.

### **4. How will the proposed rates impact my household bill?**

The average single family in Ventura uses 21hcf (hundred cubic feet = 748 gallons) or 15,708 gallons of potable water and requires 15 hcf of wastewater to be cleaned every two months. The average increase will be approximately \$2.38 for both water and wastewater increases per billing cycle (or \$1.19 per month) starting in July 2012 and another increase of approximately \$9.53 (or \$4.77 per month) is proposed in July 2013. To estimate your bill with the proposed rates, please explore the customer bill calculator tool at [www.cityofventura.net/water/rates](http://www.cityofventura.net/water/rates).



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### **5. How will the water portion of my bill be calculated?**

The water charge on your utility bill is based on a fixed service fee as well as water usage charges. The fixed service fee is based on the size of your water meter. The water usage charge is based on your service classification and the amount of water that flows through your meter during in any given billing period. Pricing is based on HCFs - hundred cubic feet or 1 HCF = 748 gallons.

### **6. How are the residential water tiers set?**

Recent legislation requires the City to reduce overall water use by 20% by 2020. The study process recommended that the water usage tiers be adjusted to ensure greater equity and to encourage water efficiency for residential customers. The proposed tiers for single family are: Tier 1 (0-14 hcf), Tier 2 (15-30 hcf) and Tier 3 (greater than 30 hcf). The proposed tiers for multi-family customers are: Tier 1 (0-10 hcf), Tier 2 (11-16 hcf) and Tier 3 (greater than 16 hcf).

### **7. What is the bi-monthly water service charge on my bill?**

The bi-monthly service fee is based on the size of your meter and offsets fixed costs including monthly meter reading, customer and billing services, and future meter replacement costs. To create greater revenue stability, the proposed service charges have been increased to generate 25% of the needed funds for the Water Utility.

### **8. What is a fire line meter charge?**

Some properties with a second meter for fire suppression are charged (based on the size of the meter) to offset fixed costs including monthly meter reading, customer and billing services, and future meter replacement costs. Fire line meters are expressly to serve fire suppression systems and are not to be connected to any other service on the property.

### **9. How will the wastewater portion of my bill be calculated?**

As a result of the study, the single and multi-family wastewater rate structure is changing significantly. First, every customer will pay a flat charge for the service plus a flow based charge that is determined by the average of two complete billing periods for bills received between February and May. This period of reduced water consumption provides a more accurate representation of indoor water usage that enters the wastewater system since shorter days, cooler weather, and rain minimize outdoor watering. For single-family residence and multi-family residences a cap has been set on wastewater usage at 30 hcf and 24 hcf respectively.



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### **10. What is winter averaging for wastewater flow charge?**

Wastewater residential customers will pay for services, starting each July, based on the previous average winter water usage for two full cycles for bills received February through May. To learn what time period is averaged for your winter water usage, visit [www.cityofventura.net/water/rates](http://www.cityofventura.net/water/rates) or call Customer Care at (805) 667-6500.

### **11. What is the Estuary Protection Fund Charge?**

Our community is dedicated to protecting our environment and using our water resources wisely. As a result of legal actions, the City has agreed to collaborate with stakeholders to develop a long-term water reuse program for the wastewater treated by the Ventura Water Reclamation Facility and currently released into the Santa Clara River Estuary. The costs of the water reuse program will be set through the planning process over the next five years or so, but by the terms of the agreement, are capped at \$55 million at today's dollars. To learn more about the agreement, visit [www.cityofventura.net/water/rivers](http://www.cityofventura.net/water/rivers). To view the "Ventura's Water Future" video about the agreement, visit Ventura Water's YouTube Channel at [www.youtube.com/venturawater](http://www.youtube.com/venturawater).

### **12. How are non-residential (business and industrial) customer bills calculated?**

Commercial customers are charged a bi-monthly meter charge and service charge for water and wastewater respectively. For each HCF (hundred cubic feet, 1HCF= 748 gallons) of water used is charged a uniform rate that is greater than the residential first tier. For wastewater, the non-residential customers are categorized into different classes based upon the solid and chemical makeup of their discharged wastewater and have specified per unit charges.

### **13. How will Ventura businesses be affected?**

Under the rate structure, commercial businesses are charged a flat rate for water and a commercial group rate for wastewater charges. Please contact Customer Care at (805) 667-6500 for more information on your business charge.

### **14. When will the new rates appear on my utility bill?**

If adopted by the City Council, the new rates will be prorated based on the number of days after July 4, 2012 in your 60-day billing cycle. For example, bills mailed around July 25 (usage from approximately May 21 – July 18) will contain about 14 days at the new rates. Since 14 days divided by 60 days is 23%, the proration will reflect the new rates for 23% of the bill. The same process will be used if the approved rates are increased on July 1, 2013.



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### **15. What can I do to lower my bill?**

Customers can adopt greater water conservation methods to reduce their consumption charges and lower their bill. Since outdoor watering uses between 40-60% of residential water, significant water savings can be captured by improving irrigation systems or by reducing water-needy landscaping. For more information, visit [www.cityofventura.net/water/efficiency](http://www.cityofventura.net/water/efficiency).

### **16. How are Ventura's water and wastewater services funded? Does it receive any funding from the City's General Fund?**

As a utility business function, all water and wastewater expenses and revenues are accounted for in proprietary Enterprise funds, which are separate from the City's General Fund. Both the Water and Wastewater Enterprise Funds are completely funded through monies generated through customer rates and do not receive any financial support from the General Fund. In fact, an administrative charge is paid to the General Fund to recover City costs for providing administrative and overhead functions such as accounting, human resources, and management.

### **17. Why some rates lower and some are higher?**

The new cost of service study shows that water usage patterns have changed for some classes of customers more than others. The proposed rates also include modifications to the rate structures to establish more equitable rates. As a result, you will notice in the first year that some rates are higher and others are lower. Your customer class, meter(s) size and actual water use will determine if your bill is higher or lower due to the new rates. For more information and to explore the customer bill calculator tool, visit [www.cityofventura.net/water/rates](http://www.cityofventura.net/water/rates).

### **18. Why are rates different for customers outside City limits (County rates)?**

Customers who are outside of the City's limits will be charged \$0.73 and \$0.76 more per water unit for the first and second year respectively. This additional charge recovers expenses such as additional water supply and long-term planning to serve customers outside the City's jurisdiction. Visit [www.cityofventura.net/water/rates](http://www.cityofventura.net/water/rates) and the Cost of Service and Rate Design Study for the details about the outside City charge.

### **19. Water conservation is important to my household and/or business. We are saving water yet our rates continue to rise. What is the long-term outlook for the rates and is there anything we can do to keep rates lower?**

Due to the City's aging infrastructure, commitment to high quality water and water reuse, the long range outlook for rates is that they will steadily increase. As one of California's oldest coastal cities, Ventura's water systems will need extensive renewal over the next 50 years. In fact, the 10-year financial plans estimate that higher rates will be needed to support a capital program of \$120 million for the Water Utility and \$147 million for the Wastewater Utility.



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Customers can do their part in keeping rates as low as possible by practicing wise water use. Water efficiency is a cost effective solution that will create more supply without sacrificing convenience. It can also help us delay, or even avoid, having to import expensive new water supplies or build desalination or other water treatment facilities in the future.

### **20. How can property owners and customers support the rate increases?**

No action is required if you support the rate increases. Under Proposition 218, you may protest in writing as described at [www.cityofventura.net/water/rates](http://www.cityofventura.net/water/rates) or in the notice mailed to all Ventura Water customers and property owners. However, we would encourage you to become an informed participant as our community approaches important decisions about the future of our precious water resources.

Please visit us at our website at [www.venturawater.net](http://www.venturawater.net),  
Facebook page at [www.facebook.com/venturawater](http://www.facebook.com/venturawater),  
Follow us on Twitter at [www.twitter.com/venturawaterCA](http://www.twitter.com/venturawaterCA) or  
YouTube at [www.youtube.com/venturawater](http://www.youtube.com/venturawater).

### **21. When is the Public Hearing?**

The Public Hearing on the Proposed Water and Wastewater Rates is **May 21, 2012 at 6pm at the Ventura City Council Meeting, 501 Poli Street, Ventura, CA 93002.**

### **22. What happens if the rate increases are not passed?**

Without sufficient revenues, planned capital improvement projects critical to service reliability will be delayed such as pipeline replacement, water quality improvements, and emergency preparedness enhancements. In addition, the revenue increase for wastewater is driven by the need to meet obligations to previously released debt.

### **23. Whom may I contact if I still have questions about the proposed rates?**

Please contact Customer Care at (805) 667-6500 or [myvtawater@cityofventura.net](mailto:myvtawater@cityofventura.net).

### **24. When was the last rate increase?**

The last rate increase was implemented July 1, 2009 and impacted single family residential customers approximately \$5 a month.

### **25. How do Ventura's rates compare to neighboring cities?**

Currently, an average single family residential customer pays less than the median than Ventura's neighboring cities. With the proposed rates, that same customer still is less than the median.

April 3, 2012