

Trusted life source for generations



Ventura Water Rate Citizen Advisory Committee Recommendations

John Mundy, Committee Chair

Don Mills, Committee Vice Chair

Suzanne McCombs, Committee Member

Shana Epstein, General Manager

City Council Presentation

January 13, 2014

Water Rate Advisory Committee

John Mundy, Chairman

Don Mills, Vice Chairman

Suzanne McCombs

Diane de Mailly

Robert McCord

Marty Melvin

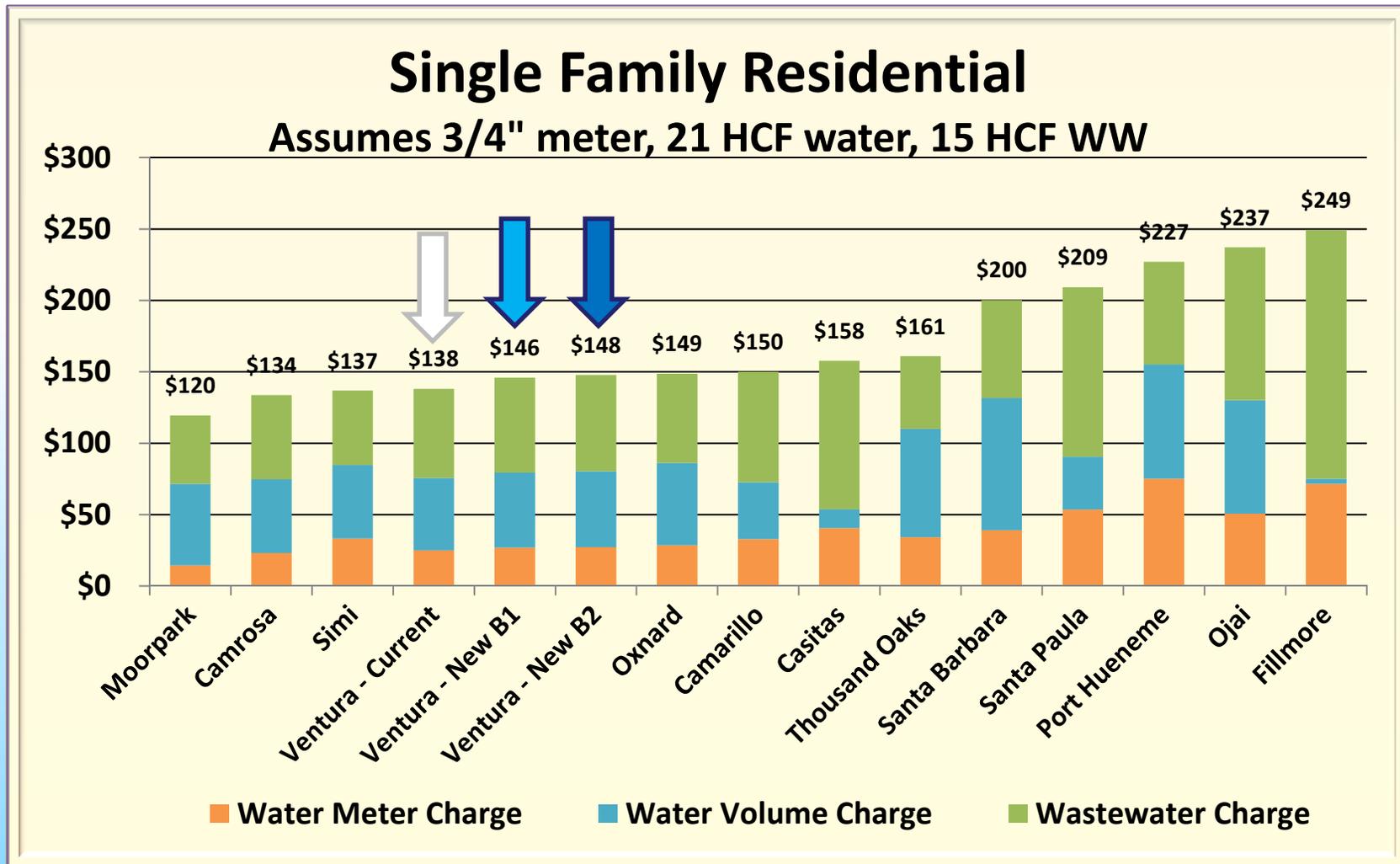
Ted Cook

Ed McCombs

Douglas Hahn



Total Bi-monthly Bill Comparison



Overview

- **Financial Plans**
- **Cost of Service Study**
- **Proposed 4-Year Rates**
- **Public Right-of-Way fees**
- **Public Art**

Cost of Service Study Update

Phase 1 Financial Planning

- 10-Year Plans
- Operating & Capital Budget Development
- Usage Analysis

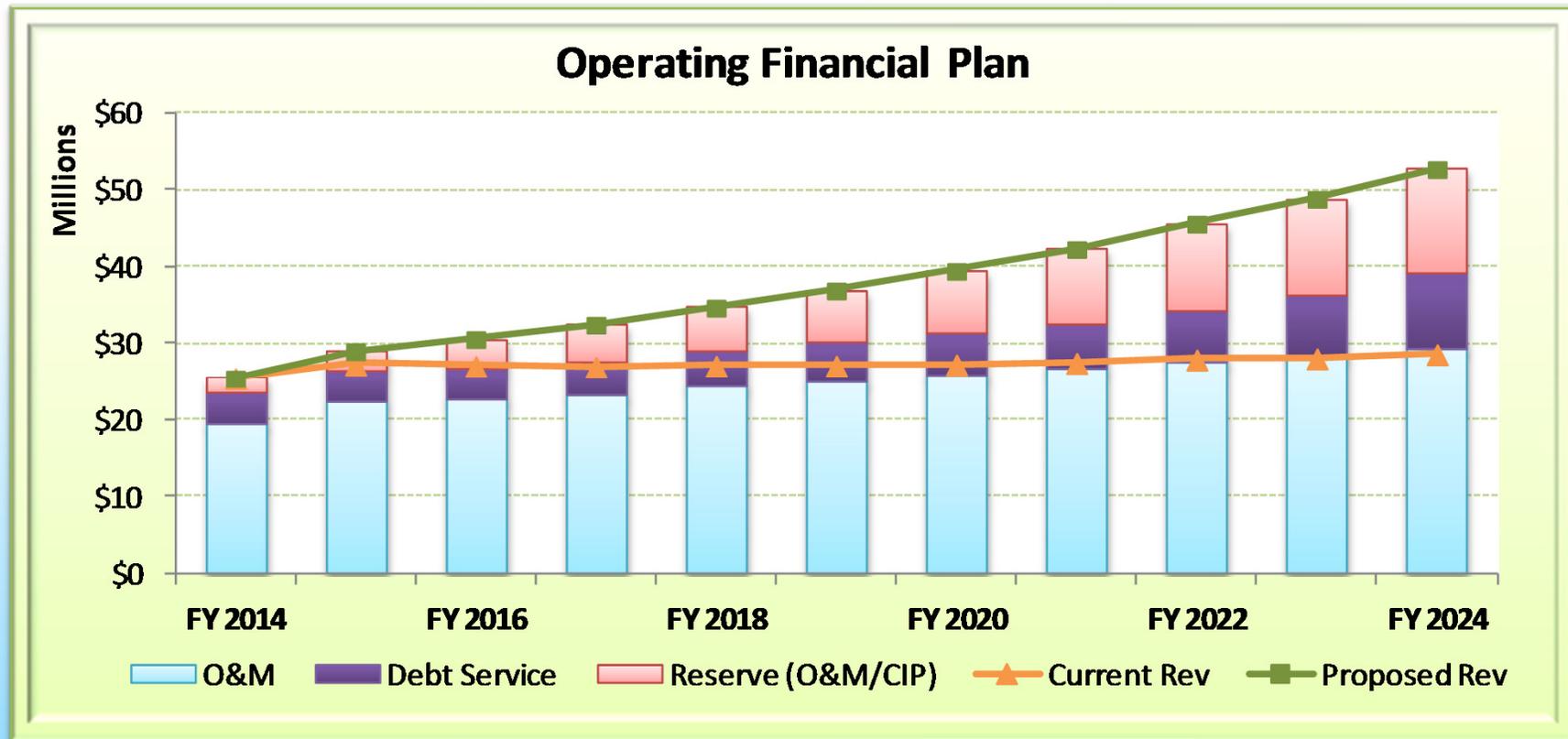
Phase 2 Model Development

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

Phase 3 Rate Adoption

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

Water Scenario B2* – Operating FP

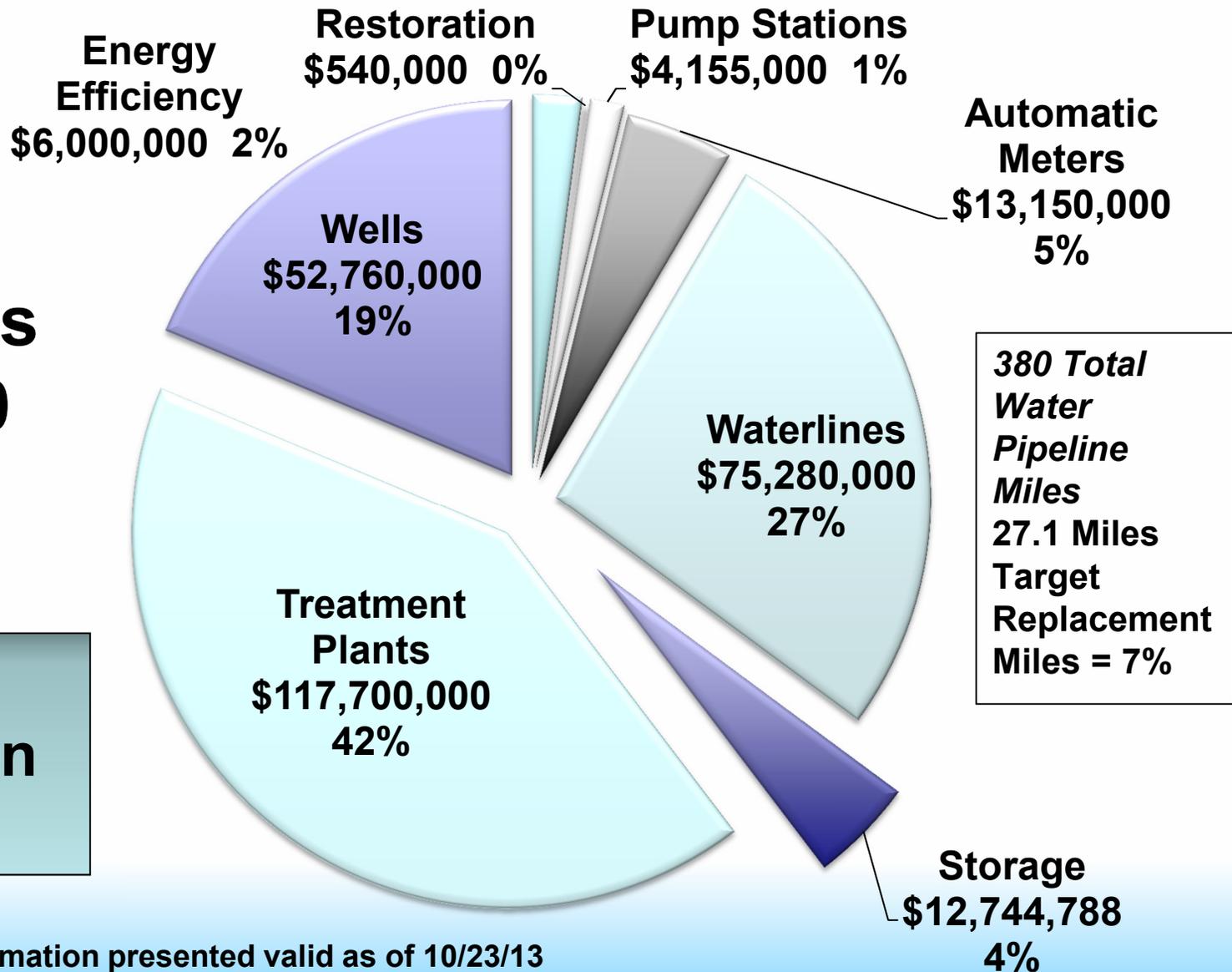


*75% of CIP in Revenue Requirements, 50% “pay-as-you-go”



Water Capital Projects Next 10 Years

**\$282
Million
Total**



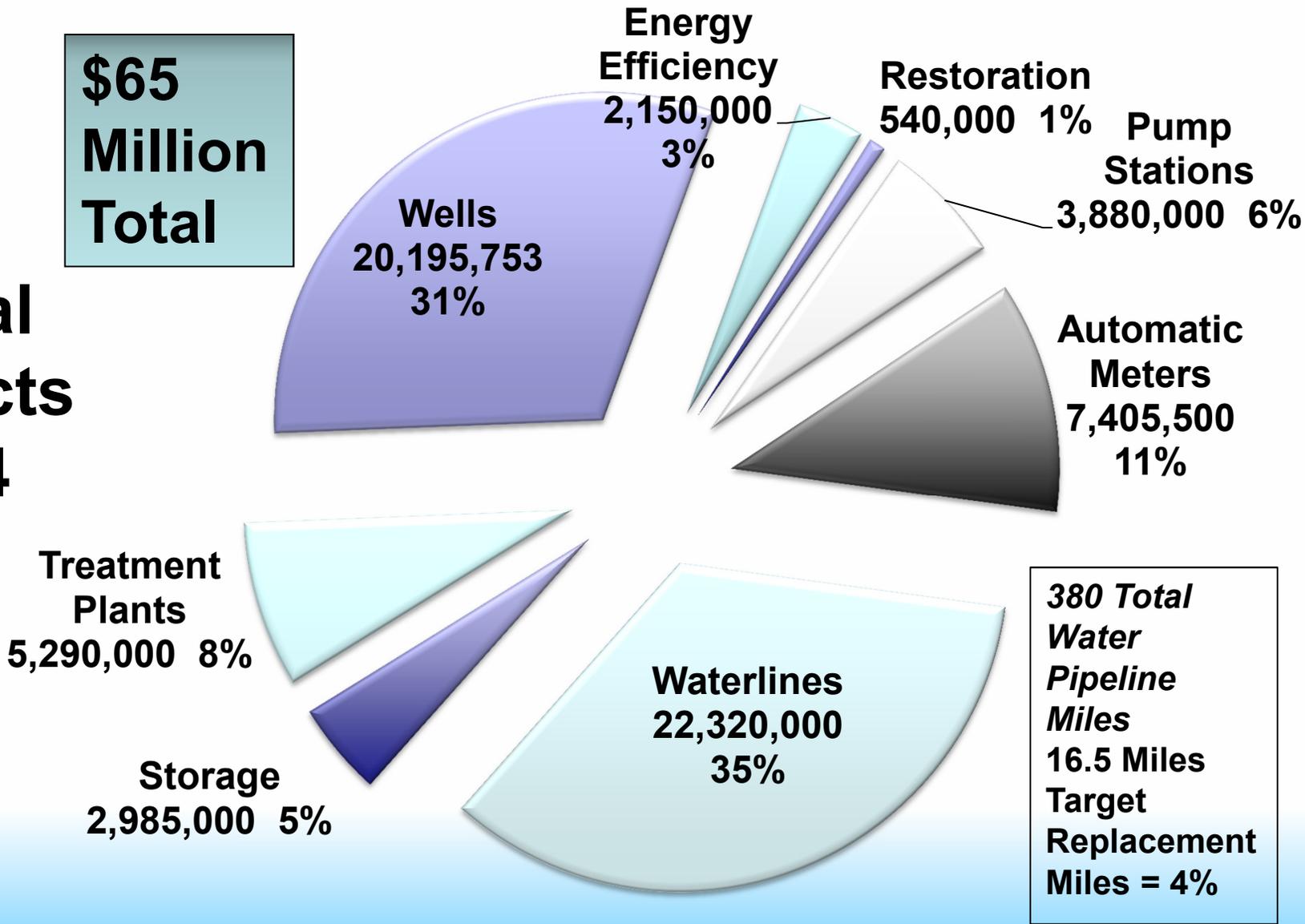
Note: Information presented valid as of 10/23/13

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Water Capital Projects Next 4 Years

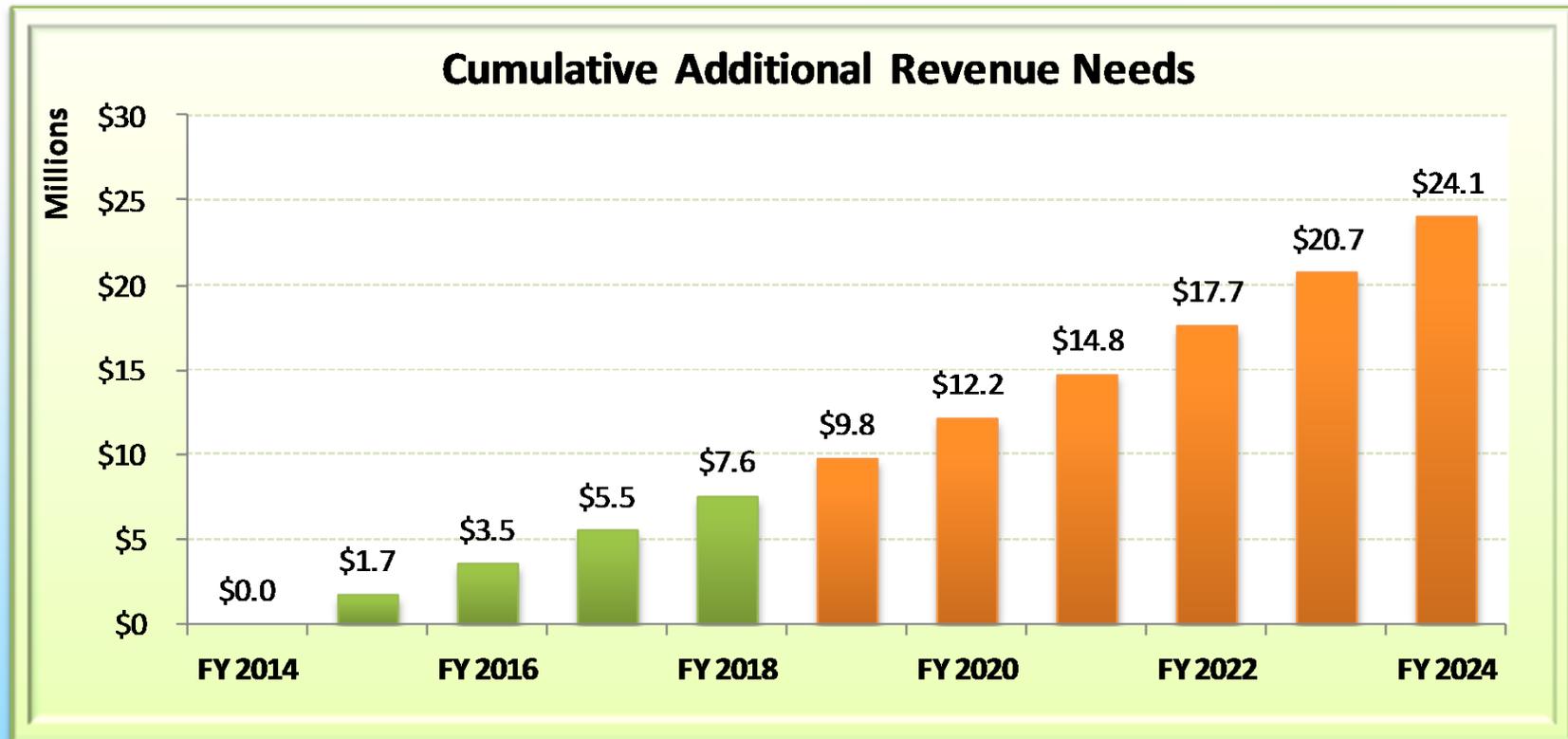
\$65 Million Total



380 Total Water Pipeline Miles
16.5 Miles Target Replacement Miles = 4%



Water Scenario B2* – Revenue Adjustments



*75% of CIP in Revenue Requirements, 50% “pay-as-you-go”



Residential Bi-monthly Impacts Water – Scenario B2

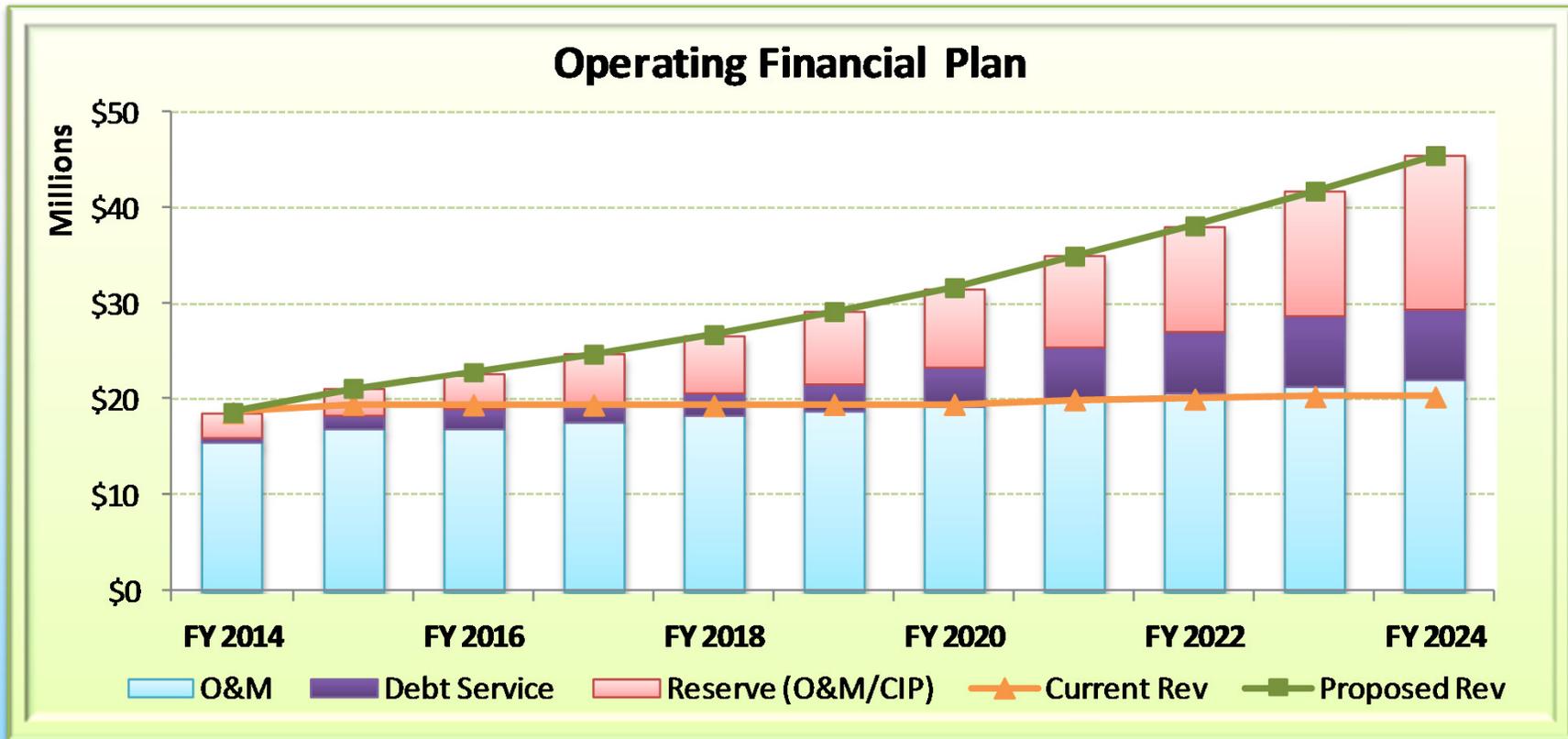
SFR	Bi-monthly Usage (hcf)	Current Bill	FY 2015 Bill	FY 2016 Bill	FY 2017 Bill	FY 2018 Bill	FY 2015 Δ prior year	FY 2016 Δ prior year	FY 2017 Δ prior year	FY 2018 Δ prior year
Very Low	5	\$35.86	\$38.45	\$41.28	\$44.31	\$47.54	\$2.59	\$2.83	\$3.03	\$3.23
Low	12	\$50.91	\$54.06	\$58.08	\$62.37	\$66.93	\$3.15	\$4.02	\$4.29	\$4.56
Average	21	\$75.65	\$80.36	\$86.33	\$92.73	\$99.56	\$4.71	\$5.97	\$6.40	\$6.83
High	35	\$125.9	\$134.79	\$144.78	\$155.53	\$167.04	\$8.91	\$9.99	\$10.75	\$11.51
Very High	50	\$197.73	\$213.84	\$229.68	\$246.73	\$264.99	\$16.11	\$15.84	\$17.05	\$18.26

Note: Assume 3/4" meter

MFR	Bi-monthly Usage (hcf)	Current Bill	FY 2015 Bill	FY 2016 Bill	FY 2017 Bill	FY 2018 Bill	FY 2015 Δ prior year	FY 2016 Δ prior year	FY 2017 Δ prior year	FY 2018 Δ prior year
Very Low	3	\$31.56	\$33.99	\$36.48	\$39.15	\$42.00	\$2.43	\$2.49	\$2.67	\$2.85
Low	8	\$42.31	\$45.14	\$48.48	\$52.05	\$55.85	\$2.83	\$3.34	\$3.57	\$3.80
Average	13	\$55.37	\$58.96	\$63.33	\$68.01	\$73.00	\$3.59	\$4.37	\$4.68	\$4.99
High	22	\$92.87	\$99.94	\$107.34	\$115.29	\$123.79	\$7.07	\$7.40	\$7.95	\$8.50
Very High	35	\$155.14	\$168.45	\$180.92	\$194.33	\$208.68	\$13.31	\$12.47	\$13.41	\$14.35

Note: Assume 3/4" meter

WW Scenario B2* – Operating FP



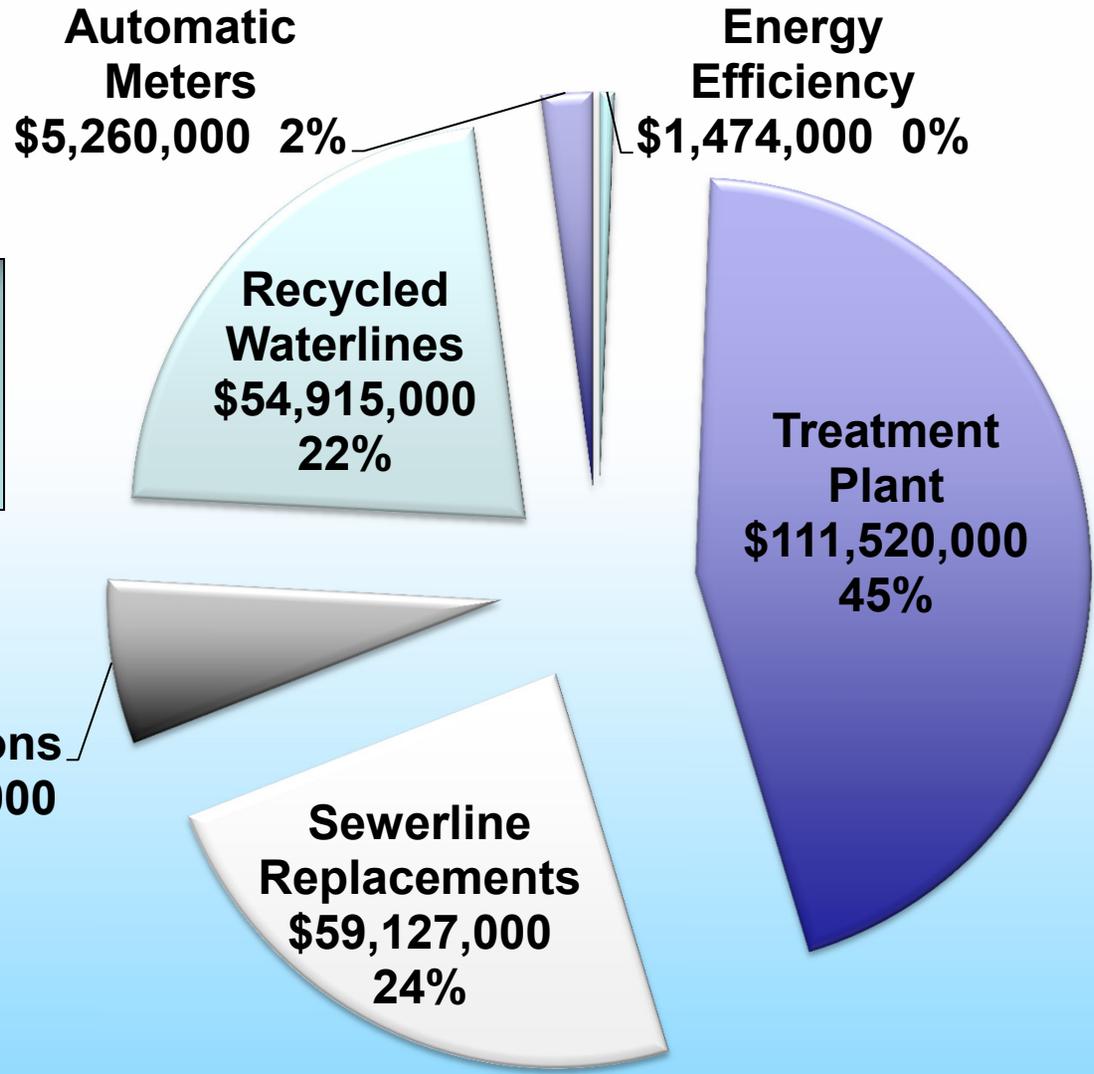
*75% of CIP in Revenue Requirements, 50% “pay-as-you-go”



Wastewater Capital Projects Next 10 Years

**\$249
Million
Total**

**300 Total
Sewer
Pipeline
Miles
29 Miles
Target
Replacement
Miles = 10%**



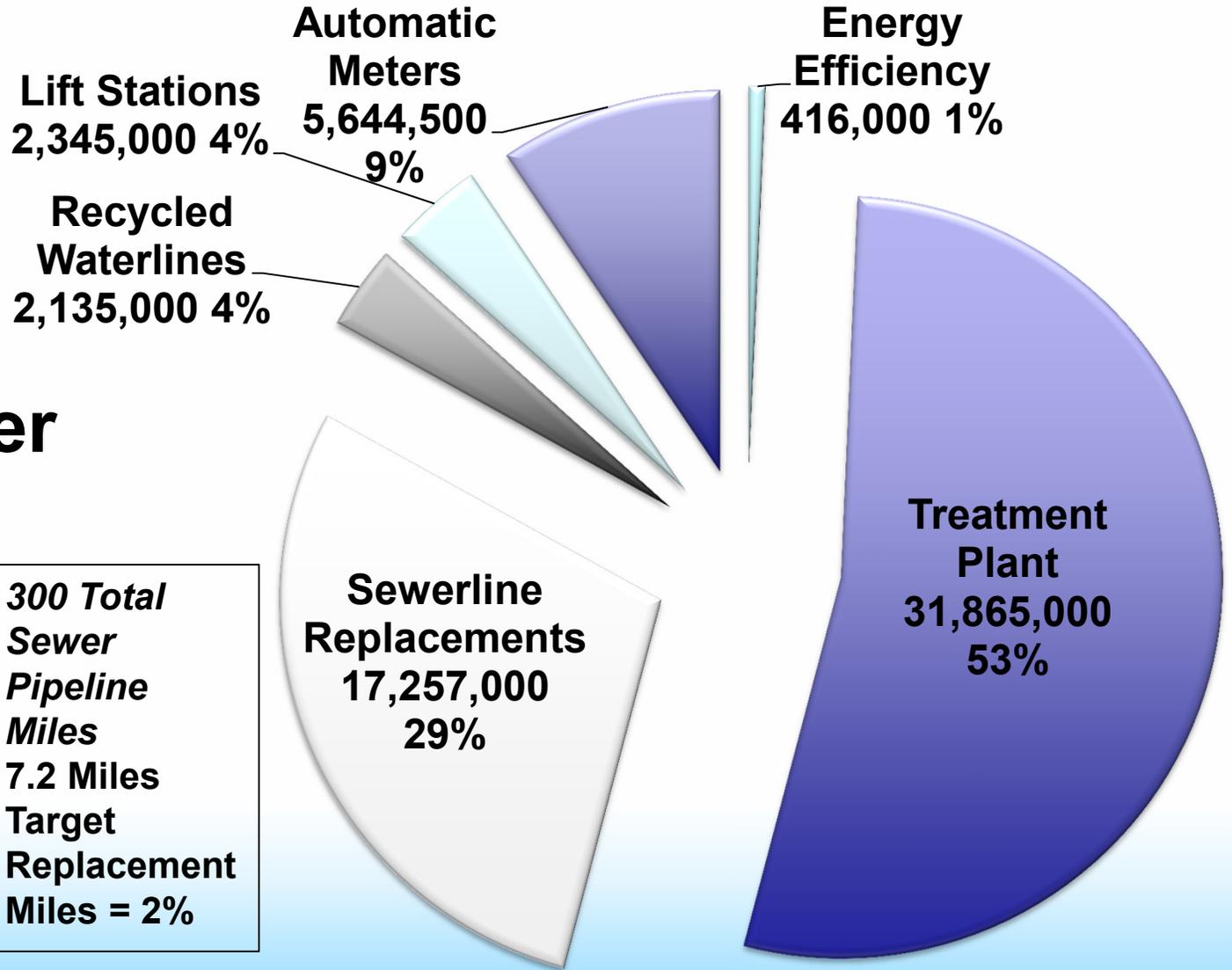
Note: Information presented valid as of 10/23/13



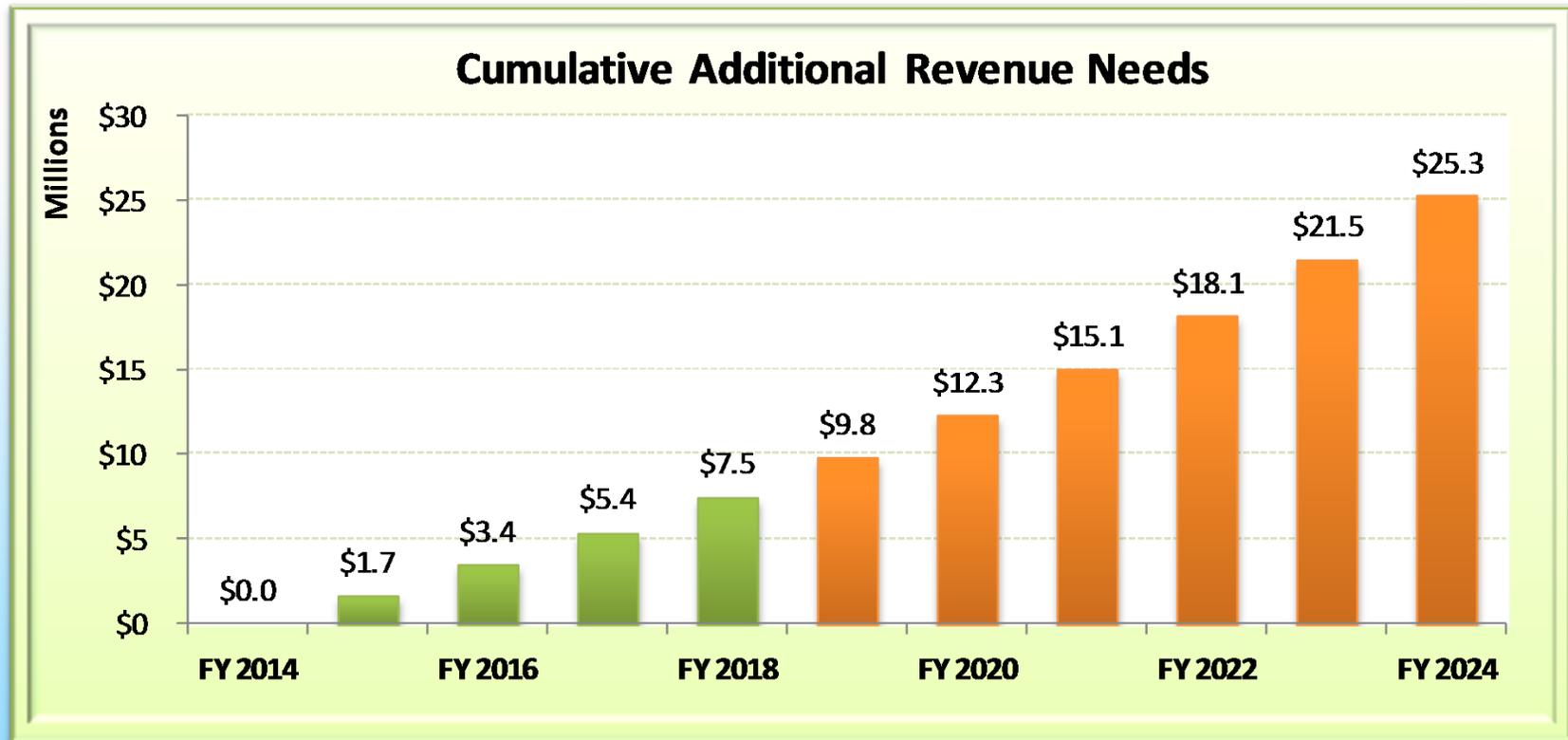
**\$113
Million
Total**

Wastewater Capital Projects Next 4 Years

*300 Total
Sewer
Pipeline
Miles
7.2 Miles
Target
Replacement
Miles = 2%*



WW Scenario B2* – Revenue Adjustments



*75% of CIP in Revenue Requirements, 50% “pay-as-you-go”



Residential Bi-monthly Impacts WW – Scenario B2

SFR	Winter Use (hcf)	Current Total Bill	FY 2015 Total Bill	FY 2016 Total Bill	FY 2017 Total Bill	FY 2018 Total Bill	FY 2015 Δ prior year	FY 2016 Δ prior year	FY 2017 Δ prior year	FY 2018 Δ prior year
Very Low	5	\$33.54	\$36.58	\$40.56	\$44.95	\$48.93	\$3.04	\$3.98	\$4.38	\$3.98
Low	10	\$48.00	\$52.00	\$57.68	\$63.92	\$69.61	\$4.01	\$5.68	\$6.24	\$5.69
Average	15	\$62.45	\$67.43	\$74.80	\$82.90	\$90.29	\$4.97	\$7.37	\$8.10	\$7.39
High	25	\$91.36	\$98.27	\$109.04	\$120.85	\$131.65	\$6.91	\$10.76	\$11.81	\$10.80
Very High	30	\$105.82	\$113.70	\$126.15	\$139.82	\$152.33	\$7.88	\$12.46	\$13.67	\$12.51

Note: Estuary surcharge ranges from 6% in FY 2015 to 10% in FY 2018

MFR	Winter Use (hcf)	Current Total Bill	FY 2015 Total Bill	FY 2016 Total Bill	FY 2017 Total Bill	FY 2018 Total Bill	FY 2015 Δ prior year	FY 2016 Δ prior year	FY 2017 Δ prior year	FY 2018 Δ prior year
Very Low	3	\$22.80	\$24.91	\$27.63	\$30.61	\$33.32	\$2.11	\$2.72	\$2.99	\$2.71
Low	6	\$31.47	\$34.16	\$37.90	\$42.00	\$45.73	\$2.69	\$3.73	\$4.10	\$3.73
Average	10	\$43.04	\$46.50	\$51.59	\$57.18	\$62.27	\$3.47	\$5.09	\$5.59	\$5.09
High	15	\$57.49	\$61.93	\$68.71	\$76.15	\$82.95	\$4.43	\$6.78	\$7.44	\$6.80
Very High	24	\$83.51	\$89.69	\$99.52	\$110.31	\$120.18	\$6.17	\$9.84	\$10.79	\$9.87

Note: Estuary surcharge ranges from 6% in FY 2015 to 10% in FY 2018

Commercial Bi-monthly Impacts WW – Scenario B2

Commercial	Bi-Monthly Usage	Current Total Bill	FY 2015 Total Bill	FY 2016 Total Bill	FY 2017 Total Bill	FY 2018 Total Bill	FY 2015 Δ prior year	FY 2016 Δ prior year	FY 2017 Δ prior year	FY 2018 Δ prior year
Group 1	70	\$256.41	\$305.34	\$338.70	\$375.55	\$408.63	\$48.93	\$33.36	\$36.85	\$33.08
Group 2	331	\$1,299.66	\$1,550.91	\$1,721.48	\$1,908.37	\$2,078.13	\$251.25	\$170.57	\$186.89	\$169.76
Group 3	923	\$4,626.70	\$5,509.87	\$6,114.14	\$6,777.72	\$7,379.02	\$883.17	\$604.27	\$663.58	\$601.30
Group 4	147	\$911.90	\$1,102.55	\$1,222.08	\$1,355.15	\$1,473.85	\$190.65	\$119.54	\$133.06	\$118.70
Group 5	122	\$695.35	\$819.06	\$907.56	\$1,005.63	\$1,093.80	\$123.71	\$88.49	\$98.07	\$88.16
Group 6	200	\$254.12	\$305.24	\$338.81	\$375.77	\$408.85	\$51.11	\$33.57	\$36.96	\$33.08
Schools	704 ADA	\$938.08	\$1,167.72	\$1,293.91	\$1,433.26	\$1,558.71	\$229.64	\$126.20	\$139.35	\$125.45
Churches	242	\$606.41	\$754.80	\$838.89	\$931.05	\$1,013.19	\$148.39	\$84.09	\$92.16	\$82.14

Note: Estuary surcharge ranges from 6% in FY 2015 to 10% in FY 2018



Combined W & WW Residential Bi-monthly Impacts – Scenario B2

SFR	Winter Use (hcf)	Bi-monthly Usage (hcf)	Current Total Bill	FY 2015 Total Bill	FY 2016 Total Bill	FY 2017 Total Bill	FY 2018 Total Bill	FY 2015 Δ prior year	FY 2016 Δ prior year	FY 2017 Δ prior year	FY 2018 Δ prior year
Very Low	5	5	\$69.40	\$75.03	\$81.84	\$89.26	\$96.47	\$5.63	\$6.81	\$7.41	\$7.21
Low	10	12	\$98.91	\$106.06	\$115.76	\$126.29	\$136.54	\$7.16	\$9.70	\$10.53	\$10.25
Average	15	21	\$138.10	\$147.79	\$161.13	\$175.63	\$189.85	\$9.68	\$13.34	\$14.50	\$14.22
High	25	35	\$217.24	\$233.06	\$253.82	\$276.38	\$298.69	\$15.82	\$20.75	\$22.56	\$22.31
Very High	30	50	\$303.55	\$327.54	\$355.83	\$386.55	\$417.32	\$23.99	\$28.30	\$30.72	\$30.77

Note: Assume 3/4" meter

MFR	Winter Use (hcf)	Bi-monthly Usage (hcf)	Current Total Bill	FY 2015 Total Bill	FY 2016 Total Bill	FY 2017 Total Bill	FY 2018 Total Bill	FY 2015 Δ prior year	FY 2016 Δ prior year	FY 2017 Δ prior year	FY 2018 Δ prior year
Very Low	3	3	\$54.36	\$58.90	\$64.11	\$69.76	\$75.32	\$4.54	\$5.21	\$5.66	\$5.56
Low	6	8	\$73.78	\$79.30	\$86.38	\$94.05	\$101.58	\$5.52	\$7.07	\$7.67	\$7.53
Average	10	13	\$98.41	\$105.46	\$114.92	\$125.19	\$135.27	\$7.06	\$9.46	\$10.27	\$10.08
High	15	22	\$150.36	\$161.87	\$176.05	\$191.44	\$206.74	\$11.50	\$14.18	\$15.39	\$15.30
Very High	24	35	\$238.65	\$258.14	\$280.44	\$304.64	\$328.86	\$19.48	\$22.31	\$24.20	\$24.22

Note: Assume 3/4" meter



Combined W & WW Commercial Bi-monthly Impacts – Scenario B2

	Bi-monthly	Current	FY 2015	FY 2016	FY 2017	FY 2018	FY 2015	FY 2016	FY 2017	FY 2018
Non-Resident Usage (hcf)	Total Bill	Δ prior year	Δ prior year	Δ prior year	Δ prior year					
Group 1	70	\$484	\$548	\$599	\$656	\$710	\$65	\$51	\$56	\$54
Group 2	331	\$2,232	\$2,546	\$2,789	\$3,055	\$3,311	\$314	\$243	\$266	\$256
Group 3	923	\$7,157	\$8,209	\$9,011	\$9,890	\$10,725	\$1,052	\$801	\$879	\$836
Group 4	147	\$1,347	\$1,566	\$1,719	\$1,888	\$2,046	\$219	\$153	\$168	\$159
Group 5	122	\$1,063	\$1,212	\$1,329	\$1,458	\$1,580	\$149	\$117	\$129	\$122
Group 6	200	\$832	\$923	\$1,001	\$1,087	\$1,174	\$90	\$79	\$86	\$87
Schools	704 ADA	\$2,326	\$2,648	\$2,882	\$3,140	\$3,394	\$322	\$234	\$257	\$254
Churches	242	\$1,298	\$1,491	\$1,626	\$1,777	\$1,923	\$192	\$135	\$151	\$146

Note: Assume 1" meter, bi-monthly usage for schools is 500 hcf.



Combined W & WW Commercial Examples Bi-monthly Impacts – Scenario B2

	Bi-monthly Usage (hcf)	Current Total Bill	FY 2015 Total Bill	FY 2016 Total Bill	FY 2017 Total Bill	FY 2018 Total Bill	FY 2015 Δ prior year	FY 2016 Δ prior year	FY 2017 Δ prior year	FY 2018 Δ prior year
Professional Office	30	\$222	\$249	\$269	\$291	\$315	\$26	\$20	\$22	\$24
Restaurant	200	\$1,663	\$1,871	\$2,026	\$2,195	\$2,379	\$209	\$155	\$169	\$184

Note: Assume 3/4" meter for professional office, 1" meter for restaurant.

Public Right-of-Way Fees

- **Proposed Fixed Fee (\$987K)**
 - **Rental Charges**
 - **Pavement Obligation**
 - **Degradation to streets**
- **Existing Fee**
 - **1.5% of gross revenues (\$588K)**



Pavement Degradation



Public Art

- **Values**
 - **Transparency**
 - **Defensibility**
- **Recommendation**
 - **Moratorium continues until existing funds expended and WAV loan repaid**





Customer Assistance Program

- Potential options
 - Donation program
 - Block or other funds
 - General Fund subsidy



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P.O. Box 2299 • Ventura, CA 93002-2299

Water & Wastewater Bill
Account No.

Cycle No. 3

Bill Date: 06/27/2013

For account information call (805) 667-6500

Account Information

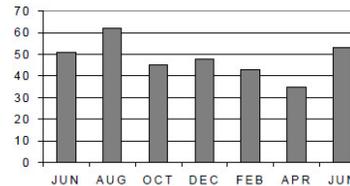
Balance Due by: 07/16/2013

Reading Period Covers: 04/15/2013 To: 06/17/2013

Meter No.	Meter Size	Prior Read	Current Read	HCF Units
3360	3/4"	1217	1270	53*

VENTURA, CA 93004

*HCF= Hundred Cubic Feet
One HCF= 748 Gallons of Water



Billing Detail

Previous Activity
Last Bill/Previous Balance: \$215.65
Payments Received, Total: -\$215.65

Current Charges
Service Charge \$23.14
Water Consumption Charges
Tier 1 Rate 14 @ 1.980 \$27.72
Tier 2 Rate 16 @ 2.690 \$43.04
Tier 3 Rate 23 @ 4.410 \$101.43
Wastewater Charge \$97.75
Estuary Protection \$1.95
Total Current Charges \$295.03

Trusted life source for generations



Value of Water

A Gallon of Ventura
TAP WATER \$.005



A GALLON OF



\$45.00

A GALLON OF



\$16.00

A GALLON OF



\$11.35

A GALLON OF



\$4.00

A GALLON OF



\$2.49

(*Prices based on California averages.)

Next Steps

- **Cost of Service Study Finalized - February 2014**
- **Outreach - March/April/May 2014**
- **Proposition 218 Notice - March 2014**
- **Public Hearing - May 2014**
- **Year 1 Rates Effective - July 2014**
- **Annual Financial Report - 2015**



Recommendations

It is recommended that the City Council consider the following information and recommendations from the 2013-14 Ventura Water Rate Citizen Advisory Committee:

- a. **During their review of the Water and Wastewater 10-year financial plans and the outcomes of the preliminary Cost of Service Study for FY 2015-2018, the Ventura Water Rate Advisory Committee (Committee) accepted:**
 1. **Future revenue requirements including inflationary assumptions to fund water and wastewater operations and capital improvement needs for four years (FY 2015-2018).**
 2. **An analysis supporting the increase and updated methodology of the existing Public Right-of-Way fees (ROW) paid to the General Fund by the utilities for the use of City streets.**
 3. **Adjustments to the outside City rate for water customers and wastewater usage charges between customer classes needed according to the updated Cost of Service Study.**
 4. **A proposed four-year customer rate plan projected to generate sufficient revenues to meet the financial needs of the utilities for the same time frame based on the study results.**



Recommendations

- b. The Committee recommends the continuation of the suspension/moratorium on requiring the 2% Public Art obligation on future Water and Wastewater Enterprise Funded Capital Projects until the following conditions have been met: the loan from the Public Art Water Fund to the Working Artist Ventura (WAV) project is repaid and the existing funds in the Public Art Water and Wastewater Funds have been expended. In addition, it is further recommended that any future public art elements in appropriate capital improvement projects be incorporated at the outset of the design process and the public art expense not be mandated as a minimum of 2% of the construction costs.**
- c. In recognition of the potential burden that rate increases may cause some customers and the constraints of Proposition 218, the Committee recommends investigation of potential avenues to provide lifeline assistance for basic water and wastewater services to those in need.**