

Why four year rates?

The Cost of Service Study includes a 10-year financial plan which helps Ventura Water prepare for the future and keep rates steady. In noticing for four year rates, our customers can also plan ahead and take steps to monitor their water use and charges. Going forward, Ventura Water will annually report our financial status to the City Council and the community, which will allow an opportunity to hold rates or lower them, if deemed prudent. In addition, the City Council has asked staff to explore avenues to establish a customer assistance program, as recommended by the Ventura Water Rate Advisory Committee.

How will the proposed rates affect me?

Four-year rate increases are proposed to be effective on July 1, 2014, July 1, 2015, July 1, 2016 and July 1, 2017. The chart below provides a few examples of how the proposed rates will affect average customers.

To see how the proposed rates may change your bill, please visit www.cityofventura.net/water/rates and explore the Bill Calculator Tool.

Proposed Bi-Monthly Wastewater Rates	Effective			
	July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017
Single Family Residential				
Bi-monthly Fixed Charge	\$19.96	\$21.71	\$23.61	\$25.68
Bi-monthly Flow Charge*	\$2.91	\$3.17	\$3.45	\$3.76
Maximum Bill (cap at 30 hcf)	\$107.26	\$116.81	\$127.11	\$138.48
Max Estuary Protection Fund Charge	\$6.44	\$9.34	\$12.71	\$13.85
Multi-Family Residential				
Bi-monthly Fixed Charge	\$14.77	\$16.07	\$17.48	\$19.01
Bi-monthly Flow Charge*	\$2.91	\$3.17	\$3.45	\$3.76
Maximum Bill (cap at 24 hcf)	\$84.61	\$92.15	\$100.28	\$109.25
Max Estuary Protection Fund Charge	\$5.08	\$7.37	\$10.03	\$10.93
Commercial				
Bi-monthly Fixed Charge	\$19.96	\$21.71	\$23.61	\$25.68
Bi-monthly Flow Charge**				
Group 1	\$3.83	\$4.17	\$4.54	\$4.94
Group 2	\$4.36	\$4.75	\$5.17	\$5.63
Group 3	\$5.61	\$6.11	\$6.65	\$7.24
Group 4	\$6.94	\$7.55	\$8.22	\$8.94
Group 5	\$6.17	\$6.71	\$7.30	\$7.94
Group 6	\$1.34	\$1.46	\$1.59	\$1.73
Churches	\$2.86	\$3.12	\$3.40	\$3.70
Schools (100 ADA)	\$156.48	\$170.18	\$185.08	\$201.28
Industrial (Billed Monthly)				
Flow (MG)	\$4,521.15	\$4,916.76	\$5,346.98	\$5,814.85
COD (klbs)	\$174.29	\$189.55	\$206.14	\$224.18
SS (klbs)	\$377.03	\$410.03	\$445.91	\$484.93
Estuary Protection Fund Charge				
	6% of bill	8% of bill	10% of bill	10% of bill
*Per HCF charge, based on average winter usage for 2 full billing cycles for bills received February through May (representing usage from December through March)				
** Based on actual water usage per HCF				

BI-MONTHLY SAMPLE BILLS

Single Family Home—15,708 Gallons (21 HCF) • 15 HCF Wastewater Winter Average					
	Current	July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017
Water Bill	\$75.65	\$80.36	\$86.33	\$92.73	\$99.56
Wastewater Bill	\$62.45	\$67.43	\$74.80	\$82.90	\$90.29
Total Bi-Monthly Bill	\$138.10	\$147.79	\$161.13	\$175.63	\$189.85
Cost Per Day Increase		\$0.16	\$0.22	\$0.24	\$0.24
<i>Assumes 3/4" meter</i>					
Multi-Family Dwelling (10 Units)—97,240 Gallons (130 HCF) • 10 HCF Wastewater Winter Average					
	Current	July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017
Water Bill	\$413.80	\$435.28	\$467.79	\$502.52	\$539.52
Wastewater Bill	\$430.35	\$465.02	\$515.92	\$571.78	\$622.71
Total Bi-Monthly Bill	\$844.15	\$900.30	\$983.71	\$1,074.30	\$1,162.23
Cost Per Day Increase		\$0.94	\$1.39	\$1.51	\$1.47
<i>Assumes 2" meter</i>					
Commercial Office—52,360 Gallons (70 HCF)					
	Current	July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017
Water Bill	\$227.35	\$242.96	\$260.66	\$279.98	\$300.93
Wastewater Bill	\$256.41	\$305.34	\$338.70	\$375.55	\$408.63
Total Bi-Monthly Bill	\$483.76	\$548.30	\$599.36	\$655.53	\$709.56
Cost Per Day Increase		\$1.08	\$0.85	\$0.94	\$0.90
<i>Assumes 1" meter</i>					

Your total bi-monthly bill includes all charges for water and wastewater services. The water portion is the sum of (1) a charge for the volume of water used, (2) a fixed charge based on the size of your water meter, and (3) a fixed charge for a separate meter for fire sprinklers (if applicable). For residential customers, the wastewater portion is the sum of (1) a winter average flow charge, (2) a fixed charge, and (3) an Estuary Protection charge. The flow charge for commercial wastewater customers is based on (1) actual bi-monthly water usage, (2) a fixed charge, and (3) an Estuary Protection charge.

Proposed Bi-Monthly Water Service Charge and Volume Rates		Effective			
		July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017
Meter Size	Bi-Monthly Service Charge (For All Customers)				
3/4"	\$27.30	\$29.28	\$31.41	\$33.69	
1"	\$41.36	\$44.36	\$47.58	\$51.03	
1 1/2"	\$76.50	\$82.05	\$88.00	\$94.38	
2"	\$118.68	\$127.29	\$136.52	\$146.42	
3"	\$252.23	\$270.52	\$290.14	\$311.18	
4"	\$449.05	\$481.61	\$516.53	\$553.98	
6"	\$920.00	\$986.70	\$1,058.24	\$1,134.97	
8"	\$1,693.21	\$1,815.97	\$1,947.63	\$2,088.84	
10"	\$2,677.29	\$2,871.40	\$3,079.58	\$3,302.85	
12"	\$3,520.79	\$3,776.05	\$4,049.82	\$4,343.44	
Meter Size	Bi-Monthly Fireline Charge (For All Customers)				
1" Ubranch	\$7.11	\$7.63	\$8.19	\$8.79	
1"	\$7.11	\$7.63	\$8.19	\$8.79	
1 1/2"	\$7.11	\$7.63	\$8.19	\$8.79	
2"	\$7.11	\$7.63	\$8.19	\$8.79	
3"	\$20.65	\$22.15	\$23.76	\$25.49	
4"	\$44.00	\$47.19	\$50.62	\$54.29	
6"	\$127.81	\$137.08	\$147.02	\$157.68	
8"	\$272.36	\$292.11	\$313.29	\$336.01	
10"	\$489.79	\$525.31	\$563.40	\$604.25	
12"	\$791.15	\$848.52	\$910.04	\$976.02	
Volume Rates (\$ per HCF)*					
Single Family Residential					
Tier 1	0 to 14	\$2.23	\$2.40	\$2.58	\$2.77
Tier 2	15 to 30	\$3.12	\$3.35	\$3.60	\$3.87
Tier 3	30+	\$5.27	\$5.66	\$6.08	\$6.53
Multi-Family Residential					
Tier 1	0 to 10	\$2.23	\$2.40	\$2.58	\$2.77
Tier 2	11 to 16	\$3.12	\$3.35	\$3.60	\$3.87
Tier 3	16+	\$5.27	\$5.66	\$6.08	\$6.53
Non-Residential		\$2.88	\$3.09	\$3.32	\$3.57
Institutional/Interruptible Rate		\$2.22	\$2.39	\$2.57	\$2.76
Reclaimed Water		\$0.76	\$0.82	\$0.88	\$0.95
Untreated Water		\$2.32	\$2.49	\$2.68	\$2.88
Outside City Rates		Add \$0.60/hcf	Add \$0.60/hcf	Add \$0.60/hcf	Add \$0.60/hcf
*HCF (hundred cubic feet) = 748 gallons					

Could rates go up?

In 2012, the City Council approved changes to the Municipal Code that allows specific third party costs to be passed through directly to customers, if they are higher than the adopted budgeted costs. At this time, wholesale and pumping water charges are fluctuating for a variety of reasons. Rather than budgeting those costs at a higher range (and increasing rates now), this pass through mechanism may be used to fund these costs at a later date. If this becomes necessary, additional outreach will be conducted and customers will receive a 30-day notice before rates are increased.

Will the drought impact rates?

In February 2014, Ventura Water customers were requested to voluntarily reduce their water use by at least 10% in response to diminishing local water supplies. Since the proposed rates are based on the amount of water projected to be sold and the amount of wastewater to be cleaned, using less water will decrease revenues. If the drought persists, Ventura Water will return to the City Council this summer with an action plan that may include penalties for excessive water use.

How are rates set?

As a municipal enterprise business that does not make a profit, water and wastewater rates are set to generate revenues equal to projected expenses. Daily operational expenses include salaries, maintenance supplies, electricity and water charges from other providers. Rates also fund debt service payments (similar to mortgage payments) for money borrowed to replace and upgrade pipelines and other aging facilities. A Cost of Service Study is a utility industry methodology that calculates the individual customer class rates (for example, residential customers) based on the revenues that need to be collected. The final factors used in the study include the amount of water projected to be sold and the amount of wastewater projected to be cleaned. To learn more, please read Ventura's 2014 Cost of Service Study at www.cityofventura.net/water/rates.

How will the new rates be calculated?

If adopted by the City Council, an update to the Municipal Code will direct that the new rates will be used to calculate all charges shown on bills prepared after the effective dates, without proration. For this rate cycle, the new rates will be implemented on July 1, 2014, July 1, 2015, July 1, 2016 and July 1, 2017. This change will aid customer understanding of their water use (and charges) and clarify the billing process.

501 Poli Street
P.O. Box 99
Ventura California
93002-0099



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March 2014

www.venturawater.net

NOTICE REGARDING SETTING OF WATER RATES

The City of Ventura hereby gives notice of its intent to set new charges for water and wastewater services to its ratepayers. The amount of the proposed new charges to be imposed is set forth on the Rate Tables (inside), which show the nature and amount of the proposed new charges. Proposed to be effective July 1, 2014, July 1, 2015, July 1, 2016 and July 1, 2017, the charges are based on an updated Cost of Service Study conducted by Ventura Water with input from a Rate Advisory Committee composed of Ventura residents. The Rate Advisory Committee presented their recommendations to the Ventura City Council on January 13, 2014 and all information about this public process is available at www.cityofventura.net/water/committee.

The 2014 Cost of Service Study is available at www.cityofventura.net/water/rates and may be reviewed at the Ventura City Clerk's office at 501 Poli Street (Room 204), Ventura during published business hours. This notice and a **written protest form** are also available at www.cityofventura.net/water/rates and at the Ventura City Clerk's office at 501 Poli Street (Room 204), Ventura during published business hours.

— PUBLIC HEARING —

The Ventura City Council welcomes your input during a public hearing to consider the proposed rate increases that will be held at the following place and time:

**City Council Chambers—501 Poli Street, Ventura, California
May 5, 2014 at 6 pm**

If you wish to protest the proposed charges and/or changes, you must do so in writing prior to the close of the public hearing. Both the owner of the parcel and the person receiving the service for which the fee is charged may submit a written protest, but only one protest per parcel will be counted as provided by Government Code Section 53755(b). Written protests must be submitted to the Ventura City Clerk's Office at P.O. Box 99, 501 Poli Street (Room 204), Ventura, California 93002-0099 prior to the conclusion of the Public Hearing either by personal delivery or by mail. No postmarks will be accepted, and emailed, faxed or photocopied protests will not be counted.

A written protest will not be considered valid if it does not include all of the following: (1) A statement that you protest the increase in charge(s), (2) Name of the record owner or customer of record who is submitting the protest, (3) Identification by street address or utility account number of the parcel with respect to which the protest is made and (4) original signature and legibly printed name of the record owner or customer of record who is submitting the protest. A rate protest form is available at www.cityofventura.net/water/rates or at the City Clerk's office. Oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest. The City Council will not adopt the proposed rate increase(s) if the City Council receives written protests from owners and/or utility customers residing on a majority of parcels of property who would be required to pay the proposed utility rate(s).

Dear Customer,

As a member of the City family, Ventura Water has been cleaning wastewater in our community for over a century and delivering drinking water since 1923 and is committed to providing around the clock, reliable and quality services. As a public enterprise business, Ventura Water is completely self-supporting through revenues generated by rates paid by our customers. Your money pays for the water that you use every day – drinking, bathing, cooking, and outdoor watering. Equally important, your money pays to clean the water sent down the drains of our homes and businesses to protect our public health and the environment. Your money also funds other less visible expenses: long-term debt payments, planning, and environmental compliance.

However, the primary reason for the continued rate increases is Ventura's growing need to replace deteriorating water and wastewater pipelines and facilities. Ventura has thrived through the investment made by the community two generations ago to build reliable water and wastewater systems. It is our turn to renew these vital community lifelines. Over the next two decades, many of our 380 miles of water and 300 miles of wastewater mainlines will reach the end of their lifecycle. Today the water mains made of cast iron which comprise 25% of our water distribution system are failing. Higher rates are never easy to pay but your money will be invested here, at home, to protect Ventura's economy and quality of life.

If you have any questions, we invite you to attend a Town Hall informational meeting on Thursday, April 17 at the City Maintenance Yard, 336 Sanjon Road, at 6 pm. We look forward to meeting you then!

Shana Epstein, General Manager

IMPORTANT CUSTOMER INFORMATION

Proposed Water & Wastewater Rates — BE INFORMED —

EXPLORE: Customer information and Bill Calculator Tool at www.cityofventura.net/water/rates.

SHARE:



LEARN: Attend a Town Hall Informational Meeting on April 17 at 6 pm at the City Sanjon Maintenance Yard, 336 Sanjon Road, Ventura.

ATTEND: The Public Hearing for the proposed rate increases is on May 5 at 6 pm at the City Council meeting 501 Poli Street, Ventura

WATCH: Tune into CAPS-TV Channel 15 on May 5 to watch the City Council meeting or view the meeting live online at www.cityofventura.net/video.

LISTEN: Interested in a presentation by Ventura Water staff about the proposed rates and our water and wastewater infrastructure? Contact slopez@venturawater.net.

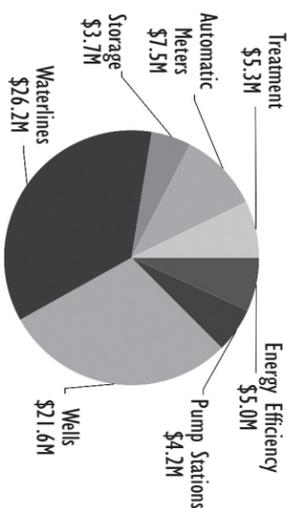
QUESTIONS: Contact Customer Care at mytwater@cityofventura.net or (805) 667-6500.

Para más información, visite www.cityofventura.net o para asistencia en español llame (805) 667-6500.

How are capital projects funded?

Ventura's 680 miles of pipelines, extensive treatment facilities and associated equipment are aging. The proposed rates, as recommended by the Ventura Water Rate Advisory Committee, fund 75% of the \$136 million capital improvement plan through fiscal year 2018. This keeps rates lower because completing all of the planned projects within the four years is unlikely due to shifting priorities, scope changes and other unforeseen factors in the design and construction process.

Water CIP Through FY 2018



In order to lessen the burden on future generations through legacy loan payments, the rates also reflect a 50/50 capital program funding plan, as recommended by the Committee - 50% will be paid through bonds and 50% will be paid by today's cash. This strategy equally shares the financial investment and the benefits of a healthy infrastructure between current and future customers.

Wastewater CIP Through FY 2018

