



Public Hearing Water and Wastewater Rate Restructuring and Increases

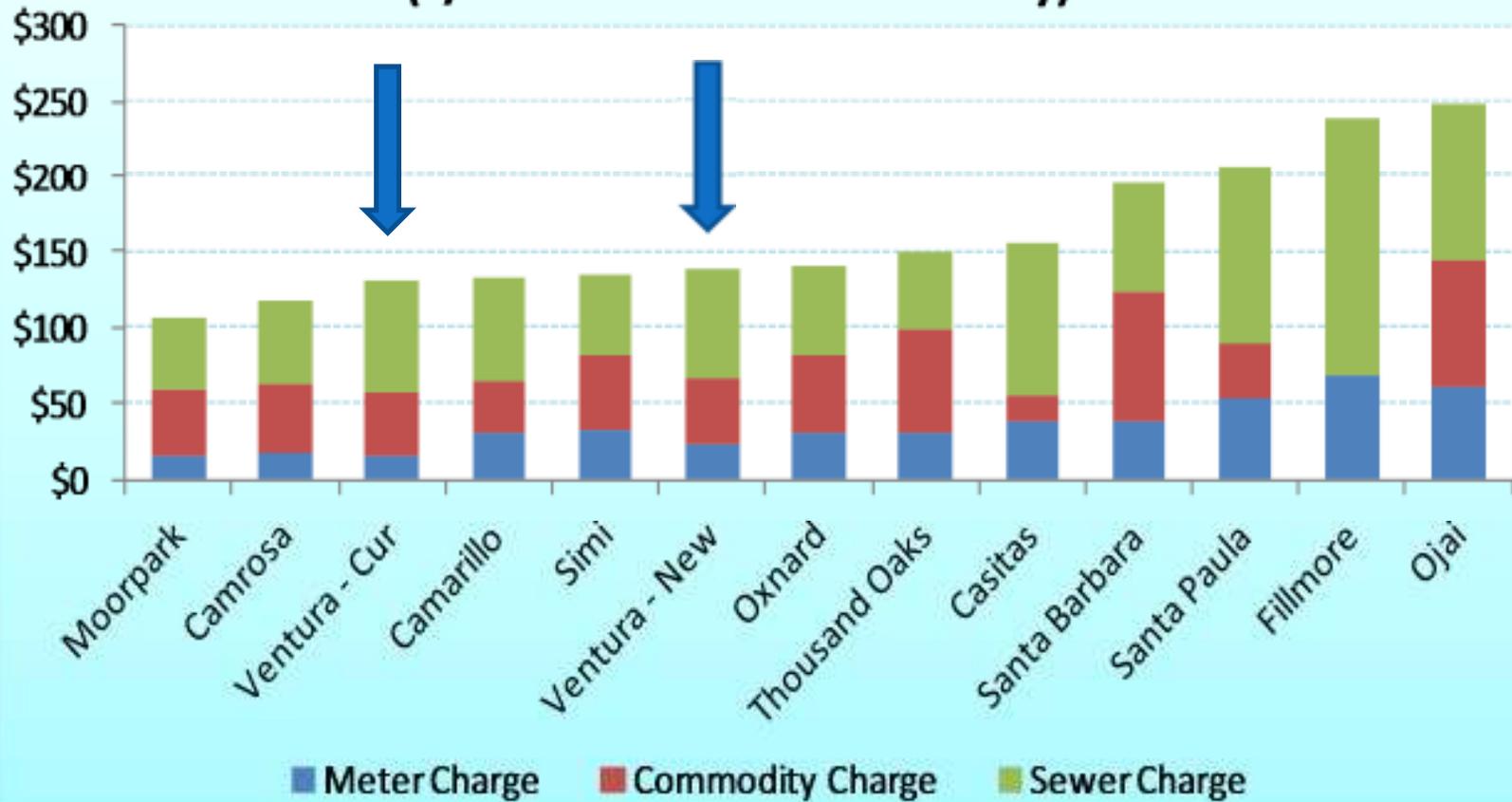


Shana Epstein, General Manager

May 21, 2012



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



Background

- July 2009 – Last rate increases
- August 2011 - Hires Raftelis Financial Consultants 
- September 2011 – Forms Cost of Service and Rate Design Advisory Committee
- February 2012 – Committee Recommendations
- March 2012 – Cost of Service and Rate Design Report finalized
- March 2012 – 10-Year Capital Improvement Program Council Workshop

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
- Public Outreach
- Prop 218 Public Hearing
- Ordinance

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

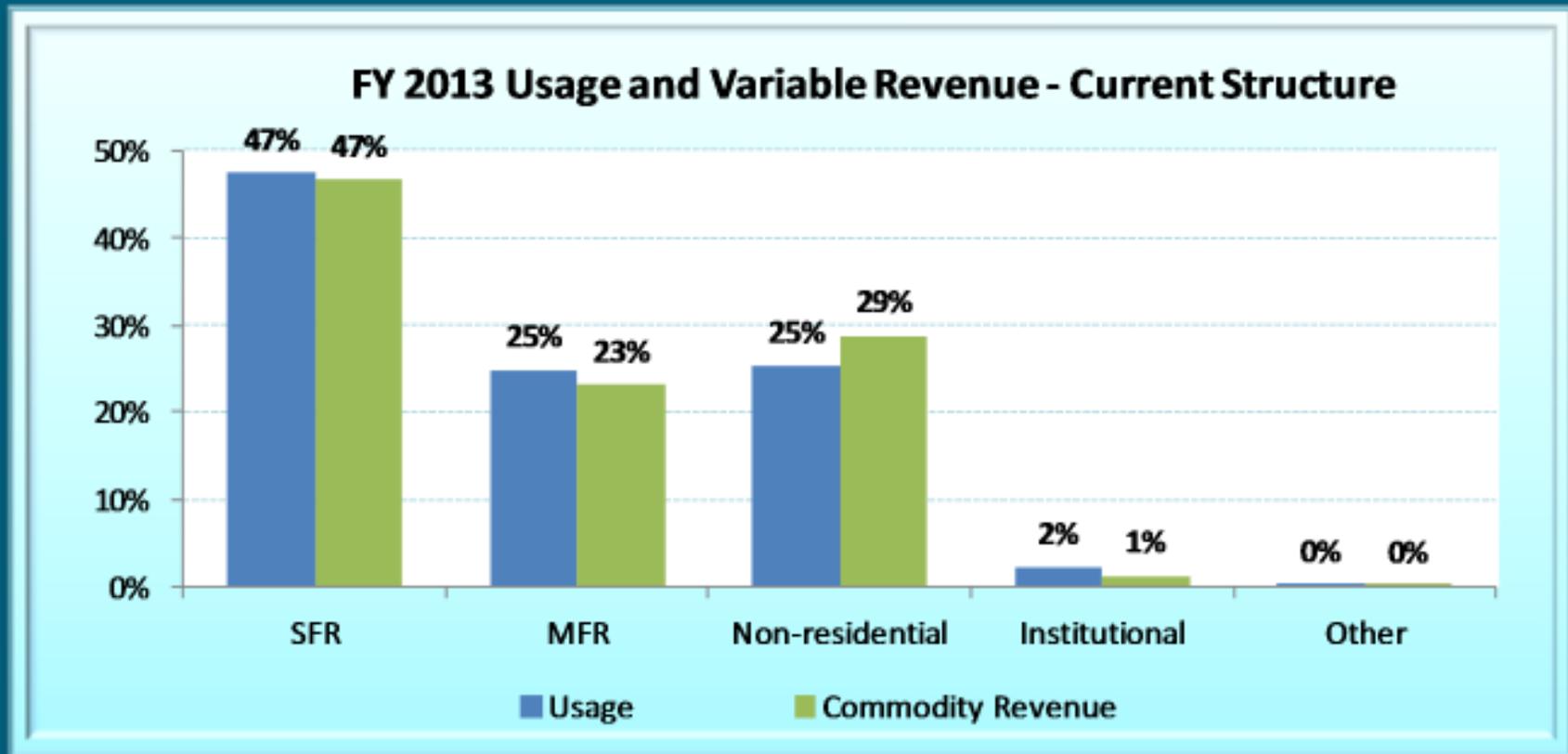


Total \$27,501,289
75% \$20,625,967

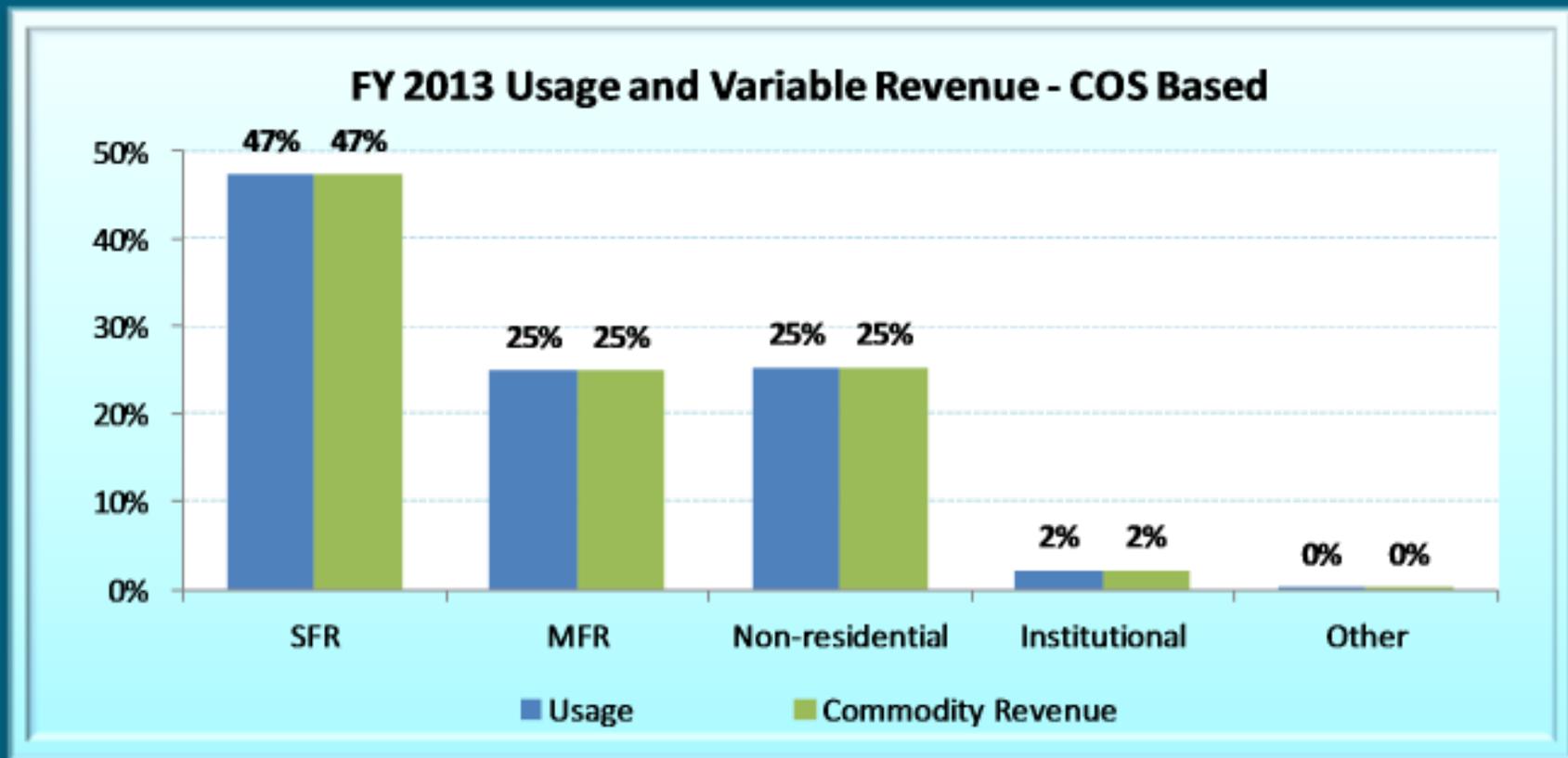


Total \$19,560,285
75% \$13,218,964

Current Usage and Revenue-Water



Cost of Service Alignment-Water



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



Single Family Water Tiers

SFR Current Tiers	HCF	% of Usage	% of Total Bills
Tier 1	0 – 16	62%	44%
Tier 2	17 – 42	30%	49%
Tier 3	>42	8%	7%

SFR Proposed Tiers	HCF	% of Usage	% of Total Bills
Tier 1	0 – 14	56%	37%
Tier 2	15 – 30	29%	45%
Tier 3	>30	14%	19%

Single Family Total Bi-monthly Water Bill

SFR	Usage (hcf)	Current	July 1, 2012	July 1, 2013	Difference 1	Difference 2
Very Low	5	\$25.13	\$33.04	\$35.85	\$7.91	\$2.81
Low	12	\$39.27	\$46.90	\$50.89	\$7.63	\$3.99
Average	21	\$60.65	\$69.69	\$75.62	\$9.04	\$5.93
High	35	\$97.89	\$115.95	\$125.81	\$18.06	\$9.86
Very High	50	\$150.67	\$182.10	\$197.58	\$31.43	\$15.48

Note: Assume 3/4" meter



Wastewater Utility Overview

- 2-year revenue generates approximately \$2.4M
- Estuary protection charge
- Residential winter averaging



Estuary Protection Charge

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



Residential Winter Average

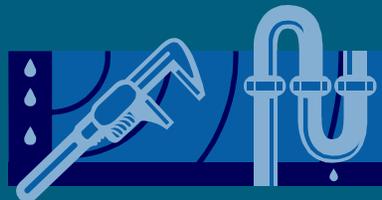
- Average of two bills received February through May
- Usage period varies by meter reading cycles
- Capped SFR=30hcf
MFR=24 hcf





Single Family Total Bi-Monthly Wastewater Bill

Winter Avg HCF	Current Bill	7/1/2012 Total Bill	7/1/2013 Total Bill	7/1/2012 Bill	7/1/2013 Bill	7/1/2012 Estuary	7/1/2013 Estuary
5	\$34.27	\$31.62	\$33.54	\$31.00	\$32.25	\$0.62	\$1.29
10	\$42.24	\$45.24	\$48.00	\$44.35	\$46.15	\$0.89	\$1.85
15	\$65.51	\$58.85	\$62.45	\$57.70	\$60.05	\$1.15	\$2.40
20	\$73.27	\$72.47	\$76.91	\$71.05	\$73.95	\$1.42	\$2.96
25	\$73.27	\$86.09	\$91.36	\$84.40	\$87.85	\$1.69	\$3.51
30	\$73.27	\$99.71	\$105.82	\$97.75	\$101.75	\$1.96	\$4.07



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	\$69.40	\$5.26	\$4.74
Low	12	10	\$81.51	\$92.14	\$98.91	\$10.63	\$6.77
Average	21	15	\$126.16	\$128.54	\$138.10	\$2.38	\$9.56
High	35	25	\$171.16	\$202.04	\$217.24	\$30.88	\$15.20
Very High	50	30	\$223.94	\$281.81	\$303.55	\$57.87	\$21.74

Note: Assume 3/4" meter



Non-Residential Total Bi-Monthly Combined Bill

Non-Residential	Usage (hcf)	Current Total	July 1, 2012	July 1, 2013	Difference 1	Difference 2
Group 1	70	\$394.07	\$450.43	\$483.76	\$56.36	\$33.34
Group 2	331	\$1,950.91	\$2,082.90	\$2,231.71	\$131.99	\$148.80
Group 3	923	\$7,452.15	\$6,682.51	\$7,157.15	(\$769.64)	\$474.64
Group 4	147	\$1,453.72	\$1,259.07	\$1,347.15	(\$194.65)	\$88.09
Group 5	122	\$1,149.98	\$993.04	\$1,063.10	(\$156.94)	\$70.07
Group 6	200	\$634.01	\$769.66	\$832.47	\$135.65	\$62.81
Schools	704 ADA	\$2,080.89	\$2,195.71	\$2,363.96	\$114.82	\$168.25
Churches	242	\$745.73	\$1,228.64	\$1,322.42	\$482.91	\$93.78

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

Outreach Effort

- Rates Notice Mailed April 3
- Webpage and Bill Calculator
- Social Media
- Special Events
- Media – Pipeline, Print, Radio
- Town Hall Information Meeting
– April 18 at Sanjon Yard
- Community Presentations



Ordinance Updates

- Align business practices
- Revise existing pass through language
- Reflect Department reorganization
- Streamline future administration (Appendix A)



Process Steps

- Protest Vote Tabulated
 - May 21 (Close of Hearing)
- First Reading Ordinance
 - May 21
- Final Rate and Ordinance Adoption
 - June 4
- Rates Effective
 - July 4, 2012 and July 1, 2013



Recommendations

- a. Introduce and waive first reading of the attached ordinance to adjust utility rates by amending Division 22 [Public Utilities] of the San Buenaventura Municipal Code relating to water and wastewater service rates, private fire lines, and sewer service charges.
- b. Set the proposed ordinance for a second reading and adoption at the Council meeting on June 4, 2012.