



Ventura County Waterworks District No. 19

Proposed Water Rate Adjustments

Public Hearing

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Director, Water and Sanitation
County of Ventura Public Works Agency
December 19, 2023

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Ventura County Waterworks District No. 19 (District 19) (Somis)

- District 19 serves a population of over 3,275, providing potable water for residential, commercial, agriculture and fire protection services in the community of Somis and surrounding areas.
- The Ventura County Board of Supervisors (BOS) is the Board of Directors for District 19
- The Citizens' Advisory Committee reviews all policy, budget, and water rate recommendations before they are recommended to the BOS



Rate Analysis Assumptions

- Calleguas Municipal Water District Rate increase of 6% for 2024
- Assumes water demand of 1,997 AF in 2024; increasing to 2,013 AF/year 2025-2028
- Assumes average inflationary increases used for rate analysis (2025-2028):
 - Labor 3.5%, Electricity 4%, materials 3%, and new capital loans 30-year @ 3.5% fixed
- Assumes groundwater pumping allocation remains at 2,300 acre-feet per year
- Top Priority Capital Projects:

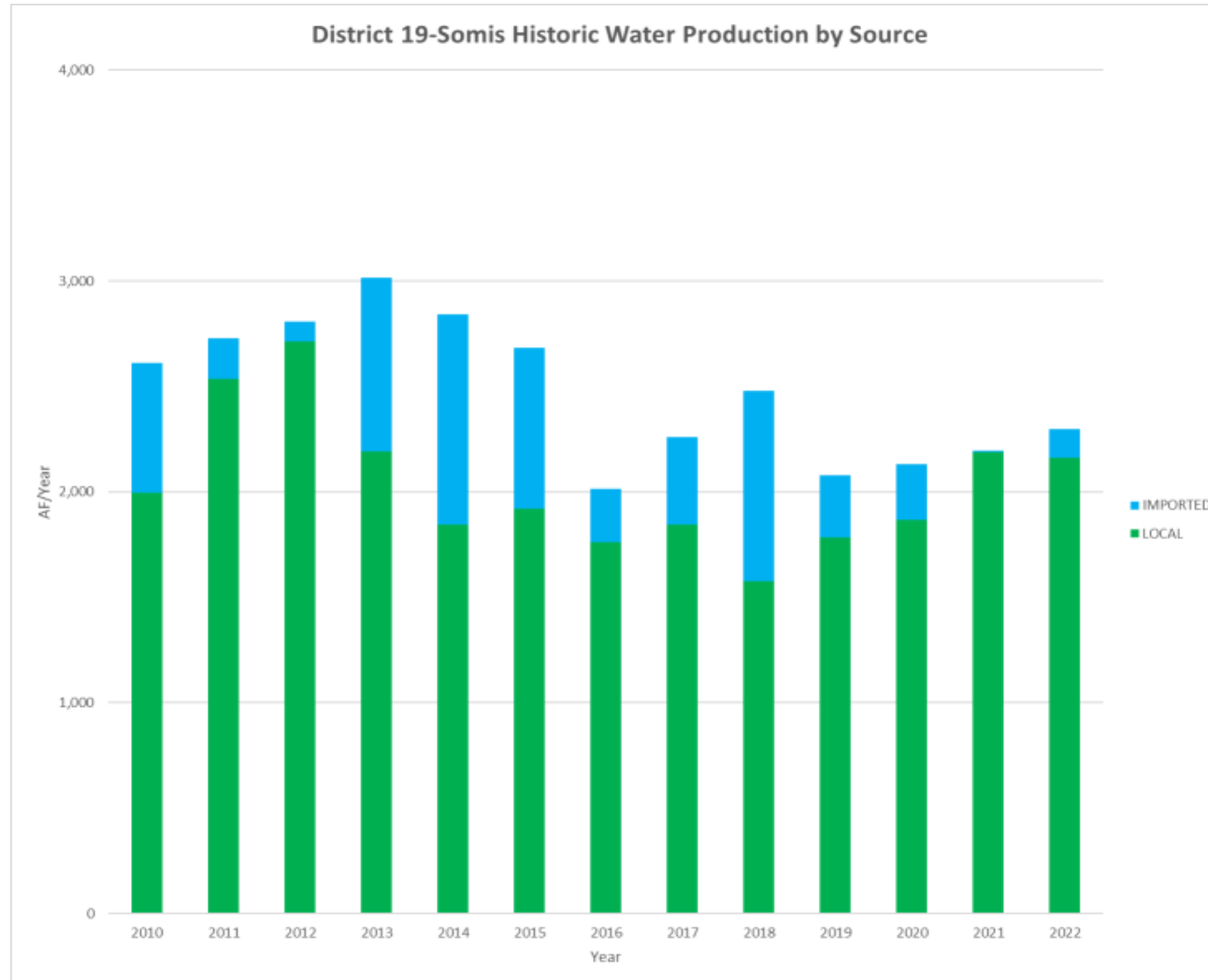
Top Priority Replacement Capital Projects		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
571 Reservoir Replacement		\$0	\$1,060,800	\$1,654,848	\$1,721,042	\$0
Coating & Repair; Balcom Canyon Reservoir		\$0	\$318,240	\$330,970	\$688,417	\$0
Waterline Relocation: Hwy 118/ Caltrans Project		\$1,530,000	\$0	\$0	\$0	\$0
Well 4 Pump Replacement		\$71,400	\$0	\$0	\$0	\$59,663
Somis Farm Worker Housing Line Extension		\$204,000	\$0	\$0	\$0	\$0
571 Reservoir Pump Station		\$1,020,000	\$0	\$0	\$0	\$0
General System Improvement		\$71,400	\$75,847	\$78,881	\$82,036	\$85,318
Total - Top Priority Replacement Capital Projects		\$2,825,400	\$1,379,040	\$1,985,818	\$2,409,459	\$59,663

Rate Analysis Assumptions (continued)

- Discretionary Capital Projects:

Discretionary Replacement Capital Projects		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Well 2 Treatment Facility		\$127,500	\$0	\$0	\$0	\$0
538 Transmission Replacement River Crossing		\$0	\$0	\$0	\$0	\$0
Pipe Replacement Caltrans ROW		\$0	\$0	\$0	\$0	\$1,103,762
Well 5 & Fe/Mn Treatment (Well 3 Replacement)		\$0	\$0	\$0	\$0	\$560,830
Bradley Pump Station - Greentree Reservoir		\$0	\$0	\$0	\$0	\$357,977
Well #2 Redrill Land		\$408,000	\$0	\$0	\$0	\$0
Well #4 - 3rd Filter		\$510,000	\$0	\$551,616	\$0	\$0
1030 Reservoir #1 & #2 Replacement		\$0	\$403,104	\$0	\$0	\$0
Total - Discretionary Replacement Capital Project		\$1,045,500	\$403,104	\$551,616	\$0	\$2,022,568

Water Usage Trends



NOTE: FY 2023 (July 1, 2022 - June 30, 2023) Usage was 1,766 AF

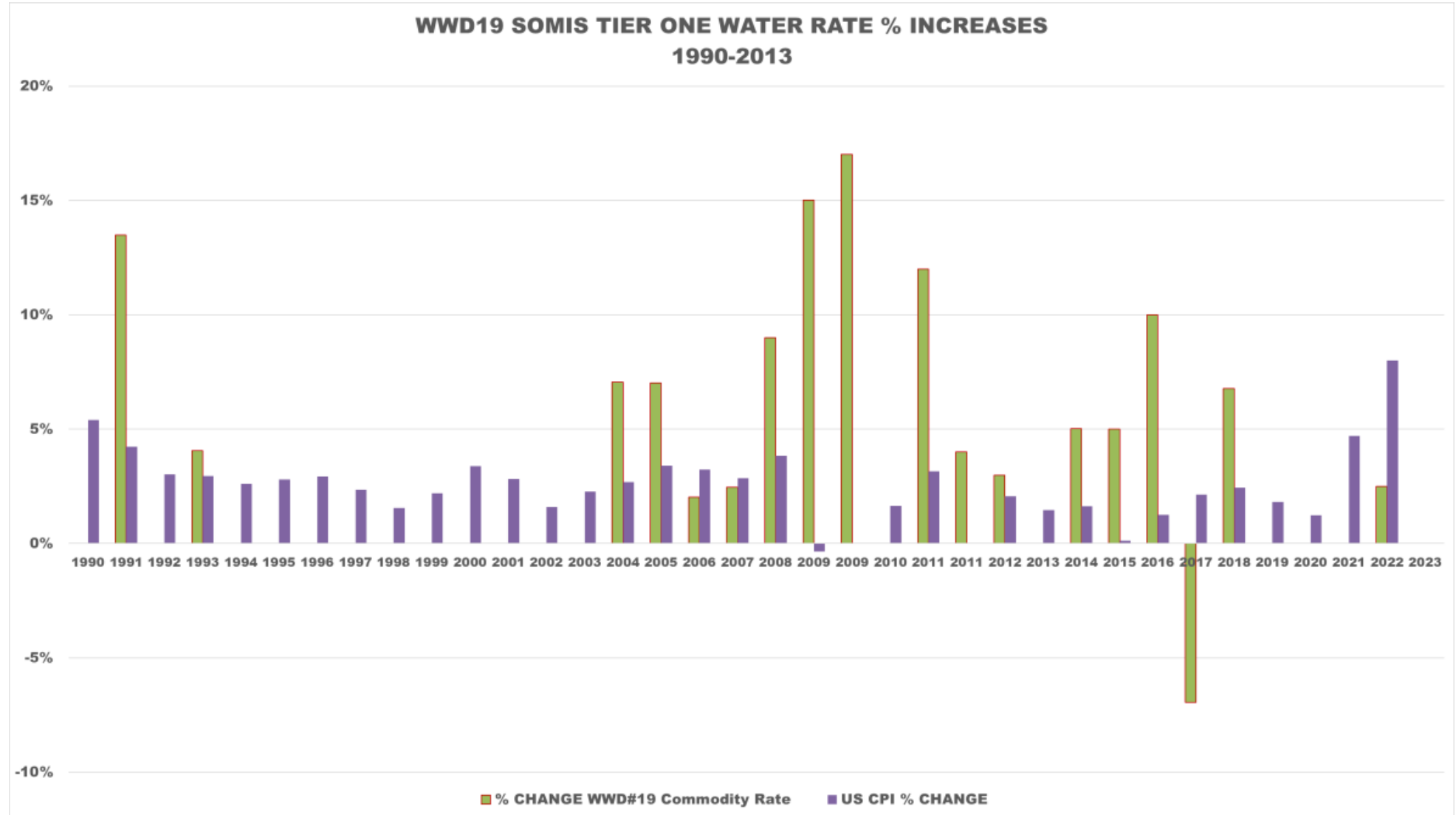
Known Risks

- Wet years result in lower sales / reduction in revenues (i.e. FY 2022/23)
 - Insufficient revenue from fixed charges to cover fixed operating costs
- Increases in customer demand above 2,300 acre-feet per year (+ system losses) will result in increased imported water purchases
- Failure of any Well during peak irrigating time periods will result in increased purchases of Calleguas water
- Failure of aging infrastructure (“old pipes”) could result in unplanned emergency repairs and water losses
- Magnitude of future Calleguas and SCE rates increases are uncertain (but certainly going up)
- Variable interest rates for debt service (RCA Loan)

Rate Analysis Objectives

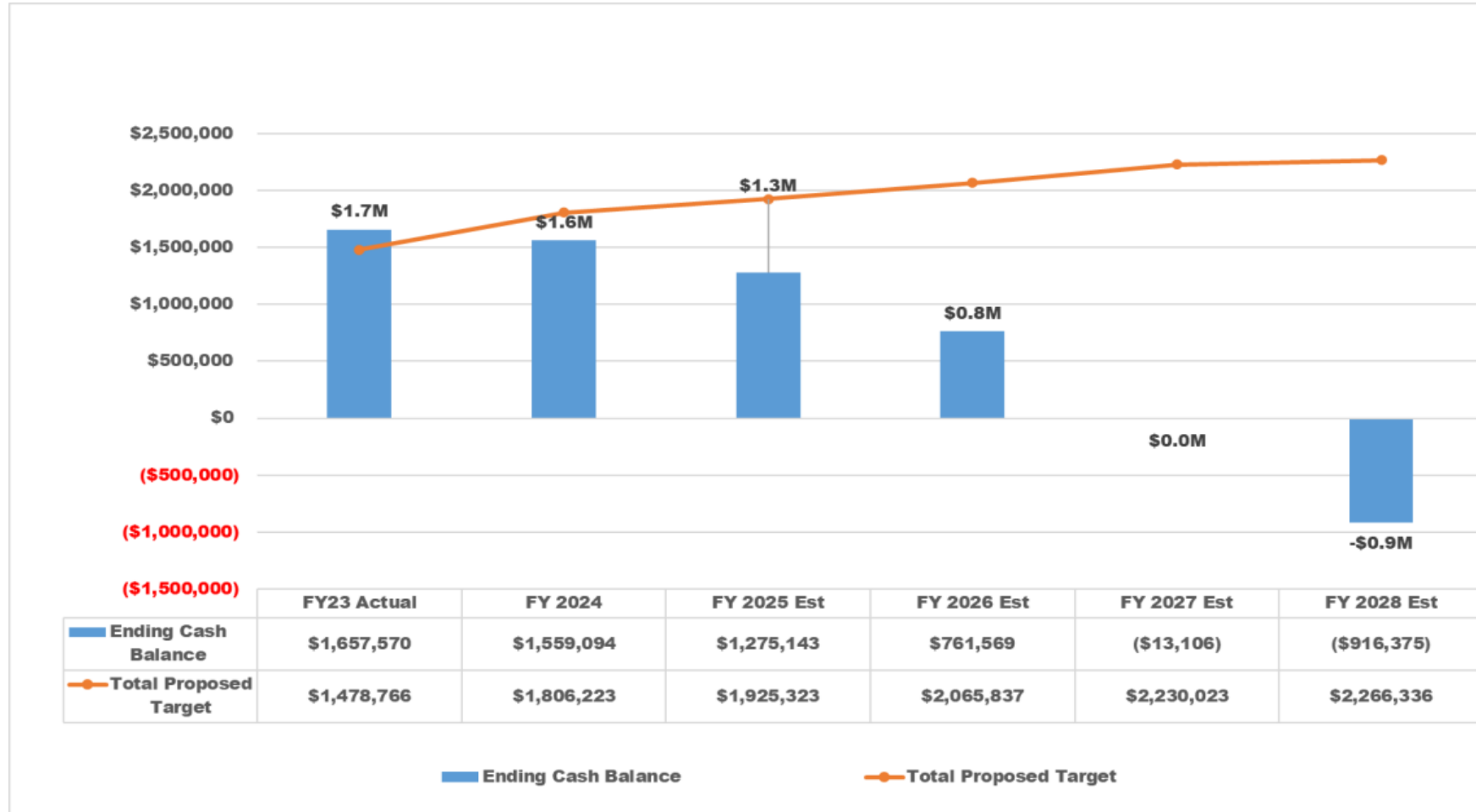
- Fund Critical Capital Projects
- Maintain Cash Reserves at or above target levels
 - 25% O&M Expenses; 15% Revenue; 2% Net Assets
- Maintain zero or greater Net Result of Operation

Rate Increase History

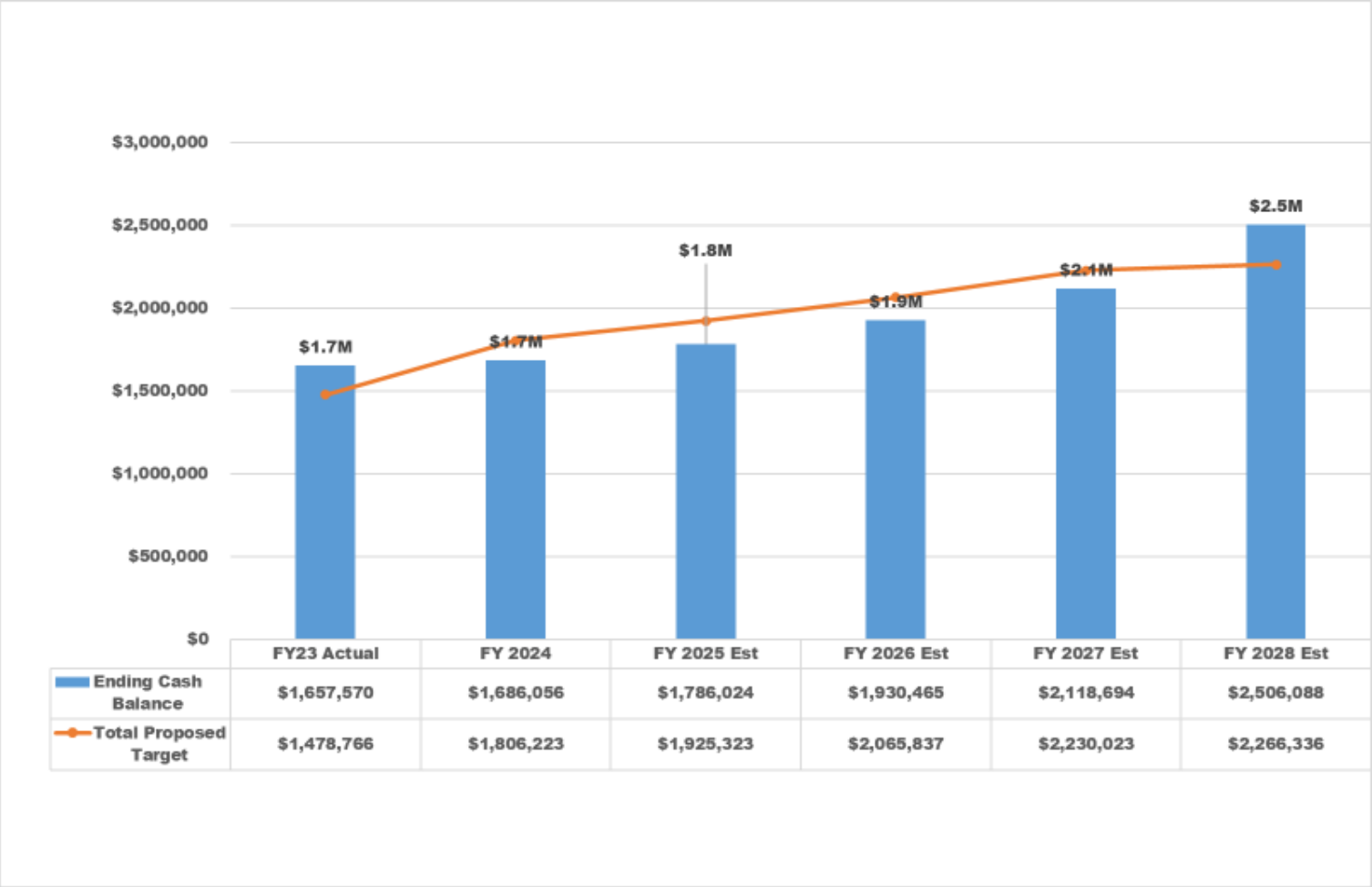


Cash Reserve Forecast With No Rate Increase or Surcharges

Critical Capital Projects Only 100% Debt Financed



Cash Reserve Forecast With
Uniform 7.5% Commodity & Fixed Rate Increase per year 2024-2028
Critical Capital Projects 100% Debt Financed



Recommended Action

APPROVE 7.5% Commodity & Fixed Meter Increase