

VENTURA COUNTY WATERWORKS DISTRICTS



COUNTY OF VENTURA
PUBLIC WORKS AGENCY
JEFF PRATT
Agency Director

Representing: Ventura County Waterworks Districts No. 1, 16, 17, and 19

Water & Sanitation Department

R. Reddy Pakala
Director

Anne Dana
Administration

Satya Karra
Operations

Cefe Munoz
Engineering

December 8, 2009

Board of Ventura County Waterworks District No. 1
800 S. Victoria Avenue
Ventura, CA 93009

Subject: Public Hearing and Approval of Water Rate Adjustments and Revisions to Rules and Regulations, Ventura County Waterworks District No. 1, Moorpark; Supervisorial District No. 4

Recommendations:

1. Hear and consider all oral and written presentations on the proposed adjustments to water rates for Ventura County Waterworks District No. 1 (District).
2. Approve the attached Resolution amending Part 2, Section A, Rule 2-A-2b, Commodity Rates, of the Rules and Regulations governing the District, as set forth in Exhibit 1 to the Resolution, increasing the water commodity rates commencing with the January 2010 billing.

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	District Water Customers
Funding Match Required:	None
Impact on Other Departments:	None



Summary of Revenue and Total Costs:	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Revenue	947,456	1,894,912
Costs:		
Direct	-0-	-0-
Indirect-Agency/Dept.	-0-	-0-
Indirect-CAP	-0-	-0-
Total Costs	-0-	-0-
Net District Costs	<947,456>	<1,894,912>
Recovered Indirect Costs	-0-	-0-

Current FY Budget Projection:

Current FY 2009-10 Budget Projection for Ventura County Waterworks District No. 1				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated (Savings/Deficit)
Appropriations	31,255,700	31,470,852	31,470,852	0
Revenue	20,655,000	20,655,000	20,655,000	0
Net Cost	10,600,700	10,815,852	10,815,852	0

Revenue represents the incremental increase between the new rate and the old rate. FY10 revenue reflects a rate increase for 6 months (January 2010 through June 2010). FY11 revenue reflects a rate increase for 12 months (July 2010 through June 2011). Approval will reduce the budgeted net cost for FY10.

Discussion:

The District provides domestic, commercial, and agricultural water to the City of Moorpark and the contiguous areas to the north and west of the City limits. The District provides local water from groundwater wells, which are within the Fox Canyon Groundwater Management Agency boundaries, and imported water from the State Water Project, through Metropolitan Water District (Metropolitan) and Calleguas Municipal Water District (Calleguas). In FY 2009, approximately 12,600 acre-feet (AF) of water was supplied to District customers from both imported sources and local groundwater pumping.

Water rates are comprised of commodity rates and service charges. Commodity rates, based on consumption in hundred cubic feet (HCF), generally finance variable operations and maintenance (O&M) costs; service charges, based on meter size, finance fixed O&M costs, such as meter reading and billing. The last commodity rate increase for the District was 15.0% for Municipal and Industrial (M&I) customers and 22.7% for Agricultural (AG) customers, and was approved on January 6, 2009. This was in response to a 17.0% rate increase by Calleguas. The District's current Tier I commodity rate is \$1.864/HCF (\$811.96/AF).

Effective January 1, 2010, Calleguas will impose a 22.0% water rate increase on its purveyors, including the District. This increase includes passing through the 21.0% water rate increase adopted by Metropolitan in April 2009 as well as Calleguas water system improvement costs.

In addition, Southern California Edison (SCE) rates have increased by 9.0% which impacts the pumping costs for the groundwater wells and booster pump stations.

The District's water rates have been reviewed to determine the impact of the Metropolitan/Calleguas and SCE rate increases. Based on the analysis, an increase in water rates is needed to cover the cost of service to provide a reliable and high quality water supply to District customers.

We, therefore, are recommending a 16.0% across-the-board commodity rate increase for the District's M&I and AG customers to offset the increase in costs to the District. We are not recommending any increase to the service charges at this time. Implementation of the proposed water rates will require that Part 2, Section A, Rule 2-A-2b of the Rules and Regulations governing the District be revised as set forth in Exhibit 1 to the attached Resolution.

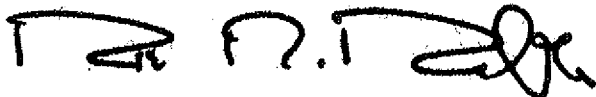
The District's Rules and Regulations Part 6-D-5, sets the recycled water rates at 90% of the Tier I water rate when used for municipal and industrial purposes and 85% of the Tier 1 water rate when used for agricultural purposes. Recycled water rates will be adjusted accordingly should your Board approve the recommended commodity water rate increase.

The District's Advisory Committee unanimously concurred with the proposed water rate increase on October 8, 2009. Water rates are subject to the provisions of Proposition 218. To comply with the legal notice requirements, a 45-day notice of the proposed water rate increase was mailed on October 29, 2009, to each property owner within the District and to each water customer of the District.

Upon approval by your Board, the proposed water rates will be implemented commencing with the January 2010 billing.

This item has been reviewed by the County Executive Office, Auditor-Controller's Office, and County Counsel.

If you have any questions regarding this item, please call me at (805) 654-2075.



R. R. PAKALA
Director, Water and Sanitation Department

Attachments – Resolution
Exhibit 1 – Current and proposed water commodity rates
Exhibit 2 – Protest Letters