

Central Services
Joan Araujo, Director

Engineering Services
Christopher Cooper, Director

Roads & Transportation
Christopher Kurgan, Director

Water & Sanitation
Joseph Pope, Director

Watershed Protection
Glenn Shephard, Director

November 9, 2021

Board of Ventura County Waterworks District Nos. 1, 16, 17, 19 and 38 and County Service Area Nos. 29, 30, and 34
800 South Victoria Avenue
Ventura, CA 93009

Subject: Conduct Public Hearing Regarding Proposed Increases to Miscellaneous Engineering Fees (Fees) of Ventura County Waterworks District Nos. 1, 16, 17, 19 and 38 and County Service Area Nos. 29, 30 and 34, Commencing November 10, 2021 with Fees Increased Annually Each July Through 2026; Approval of and Adoption of Resolution of the Proposed Increases to the Fees; Waterworks District No. 1 (Moorpark), Supervisorial District No. 4; Waterworks District No. 16 (Piru), Supervisorial District No. 3; Waterworks District No. 17 (Bell Canyon), Supervisorial District Nos. 2 and 4; Waterworks District No. 19 (Somis), Supervisorial District No. 2; Waterworks District No. 38 (Lake Sherwood), Supervisorial District No. 2, County Service Area 29 (North Coast), Supervisorial District No. 1, County Service Area No. 30 (Nyeland Acres) and County Service Area No. 34 (El Rio), Supervisorial District No. 5.

Recommendations:

That your Board, acting as the Board of Ventura County Waterworks District Nos. 1, 16, 17, 19, and 38 and the Board of the County Service Area Nos. 29, 30, and 34 (collectively, Districts):

1. Conduct a public hearing to hear and consider all objections or protests, if any, to the proposed increases to the Districts' miscellaneous engineering fees, commencing November 10, 2021, and increased annually each July thereafter through 2026, as shown in the miscellaneous engineering fee schedules Exhibits 1, 2, 3, 4, and 5; and
2. Approve and adopt Resolution revising the Districts' miscellaneous engineering fees schedules.



Fiscal/Mandates Impact:

Mandatory: No
Source of Funding: Districts' Water and/or Sewer Customers
Funding Match Required: None
Impact on Other Department(s): None

Revenue recognition will occur when customer actions require the fee imposition. Due to the variable frequency of these fees, anticipated revenue cannot be reasonably estimated.

Current Fiscal Year (FY) Budget Projections:

FY 2021-22 Budget Projection for Ventura County Waterworks District No. 1 – Units 4300/4305				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Saving/(Deficit)
Appropriations	\$42,612,400	\$42,612,400	\$42,612,400	\$0
Revenue	\$26,805,200	\$28,805,200	\$28,805,200	\$0
Net Cost	\$15,807,200	\$15,807,200	\$15,807,200	\$0

Net Cost totals include capital outlay and transfer-ins and transfer-out.

FY 2021-22 Budget Projection for Ventura County Waterworks District No. 16 – Unit 4320				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 4,976,900	\$ 4,976,900	\$ 4,976,900	\$0
Revenue	\$ 4,817,000	\$ 4,817,000	\$ 4,817,000	\$0
Net Costs	\$ 159,900	\$ 159,900	\$ 159,900	\$0

Net Cost totals include capital outlay, principal loan payments and transfer-ins and transfer-out.

FY 2021-22 Budget Projection for Ventura County Waterworks District No. 17 – Unit 4330				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 4,449,700	\$ 4,449,700	\$ 4,449,700	\$0
Revenue	\$ 4,014,300	\$ 4,014,300	\$ 4,014,300	\$0



Net Costs	\$ 435,400	\$ 435,400	\$ 435,400	\$0
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Net Cost totals include capital outlay and transfer-ins and transfer-out.

FY 2021-22 Budget Projection for Ventura County Waterworks District No. 19 – Unit 4340				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$8,339,500	\$8,339,500	\$8,339,500	\$0
Revenue	<u>\$8,543,000</u>	<u>\$8,543,000</u>	<u>\$8,543,000</u>	\$0
Net Cost	\$ (203,500)	\$ (203,500)	\$ (203,500)	\$0

Net Cost totals include capital outlay, principal loan payments and transfer-ins and transfer-out.

FY 2021-22 Budget Projection for Ventura County Waterworks District No. 38 – Unit 4360				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 4,522,800	\$ 4,522,800	\$ 4,522,800	\$0
Revenue	\$ 3,925,600	\$ 3,925,600	\$ 3,925,600	\$0
Net Cost	\$ 597,200	\$ 597,200	\$ 597,200	\$0

Net Cost totals include capital outlay and transfer-ins and transfer-out.

FY 2021-22 Budget Projection for County Service Area No. 29 – Unit 4130				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$5,278,800	\$5,278,800	\$5,278,800	\$0
Revenue	\$5,334,300	\$5,334,300	\$5,334,300	\$0
Net Cost	\$(55,500)	\$(55,500)	\$(55,500)	\$0

Net Cost totals include capital outlay and transfer-ins and transfer-out.



FY 2021-22 Budget Projection for County Service Area No. 30 – Unit 4140				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$871,200	\$871,200	\$871,200	\$0
Revenue	\$332,200	\$332,200	\$332,200	\$0
Net Cost	\$539,000	\$539,000	\$539,000	\$0

Net Cost totals include capital outlay and transfer-ins and transfer-out.

FY 2021-22 Budget Projection for County Service Area No. 34 – Unit 4150				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$1,531,700	\$1,531,700	\$1,531,700	\$0
Revenue	\$ 688,300	\$ 688,300	\$ 688,300	\$0
Net Cost	\$ 843,400	\$ 843,400	\$ 843,400	\$0

Net Cost totals include capital outlay, principal loan payments and transfer-ins and transfer-out.

Discussion:

Miscellaneous fees for Engineering that comprise non-rate revenues (and not subject to Proposition 218) for Waterworks District Nos. 1, 16, 17, 19, and 38 and County Service Area Nos. 29, 30, and 34 (collectively, Districts) were last revised in accordance with the table below.

Area	Fee	Last Update
District 1, 16, 17, 19 & 38	Miscellaneous Fees	1994 (District 38 – 2009)
District 1, 17, 19, & 38	Capital Improvement Charges	07/01/2020 (District 1), 1978 (District 17), 1987 (District 19), & 1989 (District 38)
District 1	Sewer Connection Fees	07/01/2020



District 16	Sewer Connection Fees	07/26/2016
CSA 29, 30 and 34	Miscellaneous Fees and Sewer Connection Fees	2006 (CSA 29/30) 10/02/2009 (CSA 34)

Upon review of the fee structure, and considering current labor rates, materials costs, and the time required to complete various tasks, staff determined that the current fees do not accurately reflect the actual costs incurred by the Water and Sanitation Department. Based on this analysis, and to recover or recoup the Districts' actual costs associated with the events, staff recommends increasing the miscellaneous fees commencing on November 10, 2021, as shown in Exhibits 1, 2, 3, 4 and 5. Staff added one new miscellaneous fee to recover actual costs of shutting a water main down.

Staff is proposing annual fee increases commencing July 1, 2022 that will cover the actual cost of service, as shown in Exhibits 1, 2, and 3. Staff is proposing a 3% annual increase commencing July 1, 2022, and every year on July 1 until 2026, which is expected to recover the costs associated with projected increases in labor and represent historic, average annual labor rate increases. Initial fee increases greater than 3% annually reflect additional costs associated with the service such as travel to outlying areas, actual staff time and materials. Setting the Engineering miscellaneous fees on a 5-year Board approval cycle will reduce the administrative burden and yield cost savings to the Districts.

Beginning in FY 2026, staff will review fee adjustments for the subsequent 5-year period and will return to your Board with proposed annual adjustments, if necessary. Staff is proposing updating the Capital Improvement Charges and Sewer Connection Fees shown in Exhibits 4 and 5 at a rate commensurate with the Engineering News Record Construction Cost Index and reevaluating the Capital Improvement Charges annually after this initial increase.

Public Participation:

The Districts have presented these proposed fees, including descriptions of the fees and the reasons for the increases, to the Citizens' Advisory Committees for Districts Nos. 1, 17, 19 and 38. Miscellaneous fees will continue to be posted publicly at a minimum on our website.

Conclusion:

District staff believes that the recommended increases are necessary to establish fair and equitable fees and charges.



The Districts have published timely notice of these proposed fee increases and this public hearing in accordance with law (Government Code sections 6062a and 66018).

This item has been reviewed by the County Executive Office, the Auditor-Controller's Office and County Counsel. If you have any questions regarding this item, please call me at (805) 654-2075.



Joseph C. Pope, P.E.
Director, Water and Sanitation Department

Attachments:

Resolution

- | | |
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| Exhibit 1 | Engineering and Development Miscellaneous Fee Schedule
Waterworks District Nos. 1, 17, 19, 38 |
| Exhibit 2 | Engineering and Development Miscellaneous Fee Schedule
CSA Nos. 29, 30, and 34 |
| Exhibit 3 | Water Meter Installation Fee Schedule |
| Exhibit 4 | Capital Improvement Charges Schedule |
| Exhibit 5 | Sewer Connection Fee Schedule |
| Exhibit 6 | Presentation |

