

NOTICE OF SPECIAL BOARD OF DIRECTORS MEETING

9:00 A.M. WEDNESDAY, JUNE 29, 2016
VENTURA RIVER WATER DISTRICT
409 OLD BALDWIN ROAD, OJAI, CA 93023



VENTURA RIVER WATER DISTRICT

409 Old Baldwin Road
Ojai, CA 93023
Phone (805)646-3403
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www.VenturaRiverWD.com

DIRECTORS

President:

Ed Lee

Vice President:

Bruce Kuebler

Treasurer:

Marvin Hanson

Directors:

Tom Jamison

Jack Curtis

GENERAL MANAGER

Bert Rapp, P.E.

OFFICE MANAGER

Janet Schaefer

FIELD SUPERVISOR

Joe Zuniga

ATTORNEY

Lindsay Nielson, ESQ

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public, which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of 54954.2 of the Government Code and except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under section 54954.3 of the Government Code.

1. CALL MEETING TO ORDER
2. PLEDGE OF ALLEGIANCE
3. CONSENT AGENDA:
 - A. None
4. PUBLIC COMMENT – FOR ITEMS NOT ON THE AGENDA
(LIMIT PER PERSON – 5 MINUTES)
5. APPROVAL OF FY 2016/17 BUDGET AND CAPITAL IMPROVEMENT PROGRAM
6. COST OF SERVICE RATES – APPROVAL OF COST OF SERVICE RATE ANALYSIS AND AUTHORIZE PUBLICATION OF THE PROTEST HEARING NOTICE
7. OLD & NEW BUSINESS –
8. EXECUTIVE SESSION – None
9. MEETING ADJOURNMENT TO JULY 13, 2016 3:00 P.M.

If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 646-3403 (Govt. Code Section 54954.1 and 54954.2(a)).

VENTURA RIVER WATER DISTRICT

DATE: June 29, 2016
TO: Board of Directors
FROM: Bert J. Rapp, P.E. General Manager
SUBJECT: BUDGET ADOPTION FY 2016/17

SUMMARY

This is the final review of the budget by the Board. The changes in the budget include a reduction in Salaries line item because of the update to the Office Manager position and one new item has been added to prepare "Budget Water Rates" next year at a cost of \$65,000. The cost has been allocated to Single Family Cost Classes 3 & 4 because this is a strong conservation measure.

This report also includes adoption of the Capital Improvement Program and for this fiscal year.

RECOMMENDED ACTION

The General Manager recommends that the Board take the following actions:

1. Approve the FY 2016/17 Budget
2. Approve the FY 2016/17 ten year Capital Improvement Program

BACKGROUND

A copy of the Final Budget, Capital Improvement Program are attached.

Cost of Service Rate Analysis

The Board has scheduled a Public Workshop on the drought and Cost of Service Rates for July 20, 2016. This will be held at the Oak View Community Center at 18 Valley Drive at 7:00 P.M.

At this workshop the Board can finalize the Cost of Service Rates and a Protest Hearing notice that can be sent out prior to the July 20th Drought and Water Rate public workshop.

Schedule:

Publish Protest Hearing Notice & Invitation to July 20 th Public Workshop	July 5, 2016
Drought and Water Rate public workshop	July 20, 2016 7:00 P.M.
Adopt Cost of Service Rates	September 14, 2016
Customers see rate change on bill	November 1, 2016

The Temporary Drought Surcharge expires October 31, 2016 and the cost of service rates anticipates it's expiration.

FISCAL SUMMARY

The new Cost of Service rates will not likely take effect until November and the customers conserve another 5% this summer the District will likely lose another \$30,000 to \$50,000 below the revenues projected in the draft budget. This will be accommodated by postponing some maintenance or capital projects until the spring of 2017 to determine if adequate monies are available.

FINAL BUDGET 6/29/2016

REVENUES

BEGINNING CASH BALLANCE:	July 1, 2015	July 1, 2016	CPI = 1.7%, 12 Months ended March 2016
	\$1,987,464	\$2,455,988	

NEW ACCT NUMBER	OLD ACCOUNT NUMBER	REVENUES	BUDGET 2015/2016	TOTAL AS OF 5/31/2016	ESTIMATED THRU JUNE 2016	GENERAL MGR RECOMMENDED 2016-2017	Comments
40-000-2	54500000	WATER SALES	\$1,550,000	\$1,360,774	\$1,530,774	\$1,776,305	Using 2015 /16 usage and Cost of Service Rates, adds in \$135,000 Wtr Sales Flucutation Reserves
40-001-2	54900003	SERVICE INSTALLATIONS	\$4,000	\$2,109	\$4,000	\$4,000	Anticipate one new connection.
40-002-2		BASE FEE REVENUES	\$401,642	\$368,171.54	\$401,642	\$282,289	Base Rate Revenue, \$10/month (Formerly \$14.70)
40-003-2	54900000	DELINQUENT FEES	\$8,000	\$6,161	\$6,721	\$8,000	
40-004-2	54900001	RE-CONNECT FEES	\$2,000	\$3,982	\$2,000	\$2,000	Based on Estimated Through June 2015.
40-006-2	54500001	PURCHASED WATER SURCHARGE	\$65,000	\$59,732	\$117,000	\$235,000	
40-007-1		DWELLING CHARGE		\$6,137		\$9,450	\$5 per Additional Dwelling Unit (Formerly \$2.81)
40-008-1		FIRE STANDBY		\$1,888		\$2,800	
40-011-2	54000000	CAPITAL IMPROVEMENT CHARGES	\$4,000	\$0	\$0	\$4,000	Anticipate one new connection.
41-000-1	51000000	PROPERTY TAX SECURED	\$27,000	\$18,058	\$27,000	\$27,000	
41-001-1	51500000	PROPERTY TAX UNSECURED	\$50	\$1,033	\$50	\$50	
41-002-1	52000000	PROPERTY TAX PRIOR	\$0	\$8	\$1,500	\$0	
41-003-1	53500000	H/O PROPERTY TAX RELIEF	\$100	\$43	\$100	\$100	
42-000-1	52500000	INTEREST	\$3,400	3481.14	\$3,400	\$3,400	
44-000-2	54900004	ANNEXATION FEES	\$0	\$0	\$0	\$0	No Annexations anticipated.
45-000-1	55000000	OTHER REVENUE	\$2,000	\$326	\$356	\$500	\$2,500/year.
TOTAL INCOME			\$2,067,192	\$1,831,905	\$2,094,543	\$2,354,894	

**VENTURA RIVER WATER DISTRICT
FISCAL YEAR BUDGET
2016-2017
FINAL BUDGET 6/29/2016**

OPERATING EXPENSES

New Account Number	OLD ACCOUNT NUMBER	OPERATING EXPENSE	BUDGET 2015/2016	TOTAL AS OF 5/31/2016	ESTIMATED THRU JUNE 2016	GENERAL MGR RECOMMENDED 2016-2017	ALLOCATION TO UPPER COST CLASSES	Comments
5-002-1	82000000	WATER PURCHASES & CASITAS BASE FEES	\$135,000	\$126,818	\$152,651	\$305,000		Casitas Water Area's \$70,000(Incl Base Fees in well areas) + \$235,000 Drought Purchases @ \$1.488/HCF (PWS)
6-000-1	70500000	SALARIES	\$519,000	\$406,552	\$443,511	\$578,000		7% increase to compensate for paying CalPERS share, 1.7% Cost of Living (estimated) & potential 4% merit incr: Operators & Office Assistant Based on Salaries, District portion only, employees pay their portion
6-002-1	71500000	FICA (7.56% with max at 108K)	\$43,000	\$27,011	\$38,377	\$45,000		
6-003-1		MEDICARE	\$13,500	\$6,529	\$13,500	\$14,000		
6-006-1		STATE DISABILITY INSURANCE (SDI)		\$1,458	\$1,591	\$2,000		
6-007-1	71750000	PUBLIC EMPLOYEE RETIREMENT	\$78,000	\$43,279	\$78,000	\$75,000		Employer contribution of 7.159 & Employees paying their portion of
6-008-1	72000000	GROUP INSURANCE	\$115,000	\$105,302	\$114,000	\$116,000		Projected increases 1-1-2017: Health 1% (Employees cover increase
6-009-1	74500000	WORKERS COMPENSATION INSUR.	\$24,100	\$27,059	\$27,059	\$28,428		SDRMA Workmans Comp Invoice 5-12-2016
6-010-1	78500000	BOARD MEMBER FEES	\$16,500	\$3,541	\$13,060	\$18,500		12 regular meetings, 4 committee meetings, GSA meetings.
7-001-1	71000000	CONTRACT LABOR - OFFICE	\$500	\$76,737	\$83,712.76	\$500		Minimal extra help is anticipated
7-001-2	80200000	CONTRACT LABOR - FIELD	\$112,000	\$64,013	\$79,832.36	\$112,000		Work on leaks, Cross Connection Control \$1,300, Raise Water Valves
7-002-1	80000000	PROFESSIONAL SERVICES, Auditor	\$10,000	\$9,112	\$9,112	\$12,000		Auditor \$10,000
7-002-2	80000000	PROFESSIONAL SERVICES, Engr, Draft, Etc	\$10,000	\$1,056	\$1,152	\$71,000	\$65,000	Engineer & Drafting Services \$6,000, Water Budget Rates \$65,000
7-100-2	74700000	FUEL, OIL, TIRES	\$18,000	\$11,437	\$15,574	\$16,000		The price of gas is expected to remain low.
7-101-2	75000000	AUTO EQUIPMENT MAINTENANCE	\$9,000	\$5,375	\$9,000	\$12,000		The vehicles are getting older and may need a major repair.
7-200-1	75500000	OTHER EQUIPMENT MAINTENANCE - OFFICE	\$42,000	\$19,237	\$15,000	\$14,000		CUSI/CYMA \$3,500+3,100=\$6,600, VHSI \$3,500, ESRI \$450, RICOH
7-200-2	75500000	OTHER EQUIPMENT MAINTENANCE - FIELD		\$3,228	\$32,000	\$47,000		Motor-Panel Insp & Maint \$12K, Clay Valve Maint \$3K, \$1,800 Itron
7-201-2	91500002	METER REPLACEMENT	\$38,760	\$36,508	\$37,500	\$69,535	\$30,000	120 meters per year, Cell system daily reporting to new meters for conservation.
7-202-2	84100000	EQUIPMENT RENTAL	\$5,000	\$4,483	\$5,000	\$5,000		Tractor, backhoe, postage machine rental, etc.
7-203-2	77700000	WATER SYSTEM MAINTENANCE	\$83,000	\$60,117	\$70,368	\$64,000		Monitoring; pipe; fittings, etc. Calif Dept Public Health Administration
7-600-1	85000000	DEPRECIATION - OFFICE	\$0	\$104,314	\$70,000	\$70,000		
7-600-2	85000000	DEPRECIATION - FIELD	\$240,000	\$98,516	\$170,000	\$170,000		
7-700-1	84500000	GAIN/LOSS ON ASSET DISPOSAL	\$0	\$0	\$0	\$0		
7-800-1	79000000	LEGAL EXPENSE	\$16,875	\$9,337	\$11,185.82	\$13,000		\$250 per hour
7-900-1	84800000	BAD DEBT EXPENSE	\$500	\$20	\$142	\$500		Based on actual Year to Year.
8-100-1	74000000	LIABILITY INSURANCE	\$35,000	\$28,645	\$34,100	\$37,000		Coastal States Insurance (\$35,249 for FY 2015/16)
8-200-1	84000000	UTILITIES	\$105,000	\$66,157	\$98,341	\$96,355		\$10,000 lower pumping costs: wells may not pump this summer -
8-201-1	73500000	TELEPHONE & COMMUNICATIONS	\$9,000	\$12,419	\$13,548	\$15,000		Underground Service Alert, Telephone, Internet Service, Cell Phones
8-300-1	84200000	COLLECTION	\$200	\$0	\$0	\$200		Should Collection agency collect outstanding bills, fees would be paid.
8-301-1	84300000	LAFCO FEES	\$1,200	\$1,155	\$1,155	\$1,400		Annual LAFCO Fees, \$1,312 per LAFCO BUDGET
8-302-1	84400000	MISC. EXP. TAX LIC. BANK CHARGES	\$2,000	\$2,815	\$3,378	\$3,500		Wire transfers, Checks, Safe Deposit Box, misc bank charges.
8-400-1	76500000	MEMBERSHIP, DUES, SUBSCRIPTIONS	\$12,200	\$12,782	\$13,082	\$15,400		Education Fund \$45, CSDA \$3,600, AWWA \$110, Engineering Registration \$150, CRWA \$1,000, AWA-CCWUC \$75
8-401-1	83500000	PUBLIC RELATIONS, EDUCATION, CONSERVATION	\$6,200	\$834	\$2,397	\$6,500		Annual Conference \$750 Regestration + Travel \$400+Hotel \$600+ Meals \$100, Banners \$480 (\$120 ea), AWA meetings \$30 x 3 x 7 = \$630, AWA CCWUA \$30 x 2 x 5 = \$300
8-402-1	80500000	LEGAL NOTICES & NEWS LETTERS	\$9,000	\$1,931	\$5,000	\$9,000		Newsletter, Protest Hearing Notice mailing and post water quality on website.
8-403-1	81500000	ELECTIONS	\$0	\$0	\$0	\$7,000		\$3K if not contested, \$6K if contested, Next Election 11-8-2016
8-404-1	83000000	DIRECTORS TRAVEL & EDUCATION	\$3,000	\$1,536	\$2,800	\$5,000		New Director Training, Education: AWA, VCSDA monthly meetings.
8-500-1	80400000	SECURITY	\$4,400	\$1,980	\$3,394	\$4,400		Digital Security \$4,000/YR
8-600-1	78000000	POSTAGE	\$15,000	\$13,045	\$14,231	\$13,000		
8-700-1	77500000	OFFICE SUPPLIES & MAINT.	\$14,400	\$15,585	\$17,002	\$17,400		Printer cartridges, media, and form costs, office supplies, CSDA
9-002-1	84700000	VENTURA RIVER WATERSHED, CHANNELKEEPER LAWSUIT	\$25,500	\$11,153	\$20,000	\$25,500	\$10,000	Watershed Council \$1,000, \$15,000 Santa Barbara Channelkeepers Lawsuit, Rainwater Infiltration (Green Coalition) \$10,000
9-003-1	84600000	GROUNDWTR SUSTAINABILITY AGENCY	\$20,000	\$17,166	\$17,000	\$20,000		Upper Ventura River Sub-Basin Ground Water Sustainability Agency
9-003-1		NEW WATER RESOURCE	\$0	\$0	\$0	\$25,000	\$25,000	Emergency State Water Connection & Possible Sea Water Desalination
TOTAL EXPENSE			\$1,791,835	\$1,438,241	\$1,736,757	\$2,160,119	\$130,000	
OPERATING SURPLUS (DEFICIT)			\$275,357	\$393,664	\$357,786	\$194,775		
SUBTOTAL: ESTIMATED CASH BALANCES				\$2,262,821	\$1,337,087	\$2,345,250	\$2,650,764	

**FISCAL YEAR BUDGET
2016-2017
FINAL BUDGET 6/29/2016
CAPITAL IMPROVEMENTS**

New Account Number	OLD ACCOUNT NUMBER	FIXED ASSETS	BUDGET 2015/2016	TOTAL AS OF 5/31/2016	ESTIMATED THRU JUNE 2016	GENERAL MGR RECOMMENDED 2016-2017	ALLOCATION TO UPPER COST CLASSES	Comments
13-000-1		STRUCTURES & IMPROVEMENTS						
		None						
		WATER SYSTEM IMPROVEMENTS						
13-010-2	91500015	Valve Replacement / upgrade	\$15,000	\$4,314	\$4,314	\$75,949		Replace 2 instead of 10 valves in 2015/16 because of revenue shortage
13-011-2	91500016	Hydrant Replacement / upgrade	\$11,000	\$9,112	\$9,112	\$55,183		Replace 2 instead of 10 Hydrants per year because of revenue shortage.
13-012-2	91500017	Well #7 (Well #3 Replacement)	\$1,052,000	\$13,430	\$15,000	\$1,002,000		Well #3 replacement with Well #7
13-012-2	91500017	Well #2 & #3 Abandonment						
13-013-2		Well #5 Chrom 6 Testing & Well Design				\$30,000		Install test pump & test for Chrom 6. The prepare well design.
13-014-2	91500018	Blending Pipe for Nitrates	\$35,000	\$0	\$0	\$35,000		Install blending pipe to mitigate nitrates in Well #1 & #7 if necessary
13-015-2		Flood Protection	\$125,000	\$70,408	\$70,408			
13-016-2		Mixing Valve South Alto Tank				\$12,000		
13-018-2		Paint Parker Tank				\$47,000		
		AUTO EQUIPMENT						
13-032-2		Replace F-150 Truck				\$37,000		
13-032-3		Replace Backhoe				\$86,000		
		SHOP/MAINTENANCE EQUIPMENT						
13-034-2		Trash Pump for water leak repair				\$6,000		
		OFFICE EQUIPMENT						
		Replace copier	\$5,000	\$5,000	\$5,000			
13-035-1		CYMA Accounting program	\$29,000	\$25,428	\$25,428	\$3,000		Add two seats & Purchase Order module. The seats are needed for the P.O. module & will the General Manager in assisiting customers.
		UPPER COST CLASSES CIP ALLOCATION					\$154,000	Three year average of CIP cost for large users, Cost Classes 4 & 3
		INVESTMENT IN FIXED ASSET	\$1,272,000	\$127,692	\$129,262	\$1,389,132		
		DEPRECIATION (as revenue)	\$240,000		\$240,000	\$240,000		
		NET EXPENDITURES: Op + Fixed Asset = Surplus or (Deficit)	(\$756,643)		\$468,524	(\$954,357)		
		TOTAL NET INCOME AFTER LIABILITIES			\$468,524	(\$954,357)		

	15/16 Budget	Estimated 6-30-2016:	16/17 Budget
PROJECTED ENDING CASH BALANCE:	\$1,230,821	\$2,455,988	\$1,501,631

PROJECTED ALLOCATIONS TO RESERVES		7/1/2016		7/1/2017
93500000	Allocation to Operating	\$10,000		\$0
93500000	Allocation to Water Sales Fluctuation Reserves	\$0	\$270,000	\$270,000
93700000	Allocation to CIP Reserves	\$433,524		-\$979,357
93800000	Allocation to Emergency Reserves	\$25,000		\$25,000
	Total Allocation to Reserves	\$468,524		-\$684,357

SUMMARY OF COMMITTED FUNDS:		7/1/2015	Budget Transfers 2015/16	Estimated 7/1/2016	7/1/2017	
93500000	OPERATING, Goal: 7% of Operating \$110,000	\$110,000	(\$29,000)	\$91,000	\$130,000	
93500000	WATER SALES FLUCTUATION, Goal: \$1,350,000	\$50,000		\$0	\$270,000	\$270,000
93700000	CIP, (Wtr Syst Imp) Goal: meet 10-year plan	\$981,250	(\$125,000)	\$1,814,988	\$526,631	
93800000	EMERGENCIES, Goal : \$750,000 by 2022	\$525,000		\$550,000	\$575,000	
	ENDING CASH BALANCE	\$1,666,250		\$2,455,988	\$1,501,631	
						The final reserve numbers will be set at the close out of the FY 2015/16 budget year in about September or October 2016

**VENTURA RIVER WATER DISTRICT
CAPITAL IMPROVEMENT PLAN - JUNE 29, 2016**

'INFLATION FACTOR: 0 1 2 3 4 5 6 7 8 9 13
 1.00 1.02 1.04 1.06 1.08 1.10 1.13 1.15 1.17 1.20 1.29

2015 to 2025 Capital Improvement Plan											
Fiscal Year beginning July 1 ending June 30	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026
STRUCTURES & IMPROVEMENTS											
Miscellaneous Work based upon Historical average	\$9,690	\$9,884	\$10,081	\$10,283	\$10,489	\$10,699	\$10,913	\$11,131	\$11,353	\$11,580	\$63,929
SUB-TOTAL Structures & Improvements	\$9,690	\$9,884	\$10,081	\$10,283	\$10,489	\$10,699	\$10,913	\$11,131	\$11,353	\$11,580	\$63,929
WATER SYSTEM IMPROVEMENTS											
HYDRANT REPLACEMENT - 264 ea repl 10 per year	\$11,000	\$55,183	\$56,287	\$57,412	\$58,561	\$59,732	\$60,926	\$62,145	\$63,388	\$64,656	\$71,385.09
VALVE REPLACEMENT - 500 ea repl 10 per year until 2035, then 6 per year	\$15,000	\$75,949	\$77,468	\$79,018	\$80,598	\$82,210	\$83,854	\$85,531	\$87,242	\$88,987	\$98,248.39
METER REPLACEMENT - 2,150 ea repl 120 per year, finish radio reads in 2029	\$38,760	\$39,535	\$40,326	\$41,132	\$41,955	\$42,794	\$43,650	\$44,523	\$45,414	\$46,322	\$51,143.00
VALLEY MEADOW REHAB (PHASE I)			\$696,111								
VALLEY MEADOW REHAB (PHASE II)											\$1,341,622
RE-PLUMB ENCINO & THOMAS PRV VAULTS				\$106,970							
VENTURA AVE LOOP (NOVA LN TO WELL # 5)											
VONS TRACT UPGRADE											
VENTURA AVE -VILLANOVA RD TO VONS TRACT											
BURNHAM RD MAINLINE UPGRADE Santa Ana to Grapevine								\$360,228			
MONTE VIA SYSTEM UPGRADE (Built in 1958, Should last until 80 yrs or 2038 Postpone until 2036)											
FLOOD PROTECTION FOR BALDWIN SITE	\$73,000						\$315,325				
PRESSURE REDUCING STATION ENCINO AT THOMAS											
REPLACE/LINE AC PIPE, 27.5 MILES, Replace 1mile/yr starting in 2025 to 2050											
CHLORINE DILUTION TANK			\$13,019								
WARD WAY MAIN UPSIZE & HYD REPLACEMENT									\$32,512		
JONNY CASH WAY MAIN UPSIZE & HYD REPLACEMENT									\$54,679		
SANTA ANA BACK YARD MAIN UPSIZE & HYD REPLACEMENT						\$266,007					
ROCKAWAY CUL DE SAC							\$47,290				
GRAPEVINE MAIN UPSIZE										\$161,082	
WELLS											
WELL # 1 - Drilled 1990, SS, 1/3 of Maintenance Cost									\$12,865		
WELL # 2 ABANDONMENT (Drilled 1958, Sleeved 1969 & 1991)					\$15,000						
WELL # 3 ABANDONMENT (Drilled 1969)					\$15,000						
WELL #4 - Maintenance								\$60,542			
WELL #6 Drill & Bring on Line (WELL # 5, Curtis)		\$30,000		\$415,994							
WELL #7 Drill & Bring on Line & Maintenance	\$50,000	\$1,002,000						\$12,865			
Minor Well Maintenance every 6 years, motor & panel, etc.											
Major Well Maintenance every 12 years											
New Well Screen											
SCADA SYSTEM											
SCADA SYSTEM UPGRADE								\$96,490			
TANKS											
BALDWIN TANK North, 1997, 184,000 Gal, 38.67' Dia 24.1' H REPLACE 2037				\$73,690							\$34,855
BALDWIN TANK South, 2006, 184,000 Gal 39' Dia 24' H						\$32,200					
ALTO TANKS N & S 1998, 753,000 Gal 65.4 Dia X 32.17 H REPLACE 2038		\$12,000				\$234,948			\$104,718		
PARKER TANK, 2001, 529,000 Gal, 80.17' Dia x 16' H		\$47,040									
Paint Tank Outside every 10 yrs Beginning @ 15 yrs											
Coat Tank Inside every 25 years											
Add 2nd PARKER TANK, Phase I Berm, Phase II Tank			\$108,496		\$451,517						
PUMPS											
BALDWIN BOOSTER STATION, Pump & Motor Rebuild (Tier 1&2 = 15%)							\$19,965	\$20,364			
PARKER BOOSTER STATION, 2001, Pump & Motor Rebuild (Tier 1&2 = 15%)			\$18,445			\$19,574					
PARKER VFD to Zone 5			\$41,713								
Major Rehabilitation, 35 yrs (Tier 1&2 = 15%)											
MISCELLANEOUS											
	\$5,263	\$5,368	\$5,476	\$5,585	\$5,697	\$5,811	\$5,927	\$6,046	\$6,167	\$6,290	\$6,416
SUBTOTAL Water System Improvements	\$193,023	\$1,267,076	\$1,057,341	\$779,801	\$668,328	\$743,276	\$576,939	\$761,600	\$394,119	\$402,191	\$1,568,815
SHOP/MAINTENANCE EQUIPMENT											
Machines, Tools, Equipment, etc., Bumper Crane, Valve Turn Trailer, Pipe Locator	\$2,040	\$2,081	\$2,122	\$2,165	\$2,208	\$2,252	\$2,297	\$2,343	\$2,390	\$2,438	\$2,639
SUBTOTAL Shop/Equipment	\$2,040	\$2,081	\$2,122	\$2,165	\$2,208	\$2,252	\$2,297	\$2,343	\$2,390	\$2,438	\$2,639
OFFICE EQUIPMENT											
Machines, Computers, Copiers, etc.	\$5,100	\$5,202	\$5,306	\$5,412	\$5,520	\$5,631	\$5,743	\$5,858	\$5,975	\$6,095	\$6,597.39
Software,	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624	\$6,757	\$6,892	\$7,030	\$7,171	\$7,314	\$7,916.87
SUBTOTAL Office Equipment	\$11,220	\$11,444	\$11,673	\$11,907	\$12,145	\$12,388	\$12,636	\$12,888	\$13,146	\$13,409	\$14,514
AUTO / EQUIPMENT REPLACEMENT											
FORD F-550, 2000 Dump Truck (Replace with a F-250 Utility Truck)		\$37,000									
FORD F-150, 2001				\$49,919							
FORD F-350, 2007 (Replace with an F-250 Utility Truck)							\$52,975				
FORD F-250, 2008								\$38,596			
FORD Explorer, 2002											
JEEP, Meter Reader, 1969, Right hand drive (Retire in 2024)											
BACKHOE, 1982		\$85,680									
SUBTOTAL Auto / Equipment	\$0	\$122,680	\$0	\$49,919	\$0	\$0	\$52,975	\$38,596	\$0	\$0	\$0
TOTAL ALL ABOVE ITEMS	\$215,973	\$1,413,165	\$1,081,218	\$854,075	\$693,169	\$768,615	\$655,759	\$826,558	\$421,009	\$429,618	\$1,649,897
10 Year Rolling Average		\$880,000	\$813,000	\$890,000	\$1,125,000	\$1,358,000	\$1,622,000	\$1,917,000	\$2,038,000	\$2,240,000	\$2,498,000
HIGH WATER DEMAND COST SHARE (Tier 1&2=245gpm)											
WELL #6 Drill & Bring on Line (WELL # 5, Curtis) Chrom 6 Testing & Well Design		\$30,000		\$415,994							
WELL #1 - 80% of Maint cost (700 gpm/129 gpm use 80% to Cost Class 3&4)								\$10,292			
WELL #4 - 100% of Maintenance								\$60,542			
WELL #7 - 100% of Maintenance								\$12,865			
Baldwin Booster Station (1,887 gpm/129 gpm use 90% to Cost Class 3 & 4)							\$17,969	\$18,328			
Parker Booster Station (use same ratio as Baldwin 90% to Cost Class 3 & 4)			\$16,600			\$17,616					
Add 2nd PARKER TANK, Phase I Berm, Phase II Tank (100% to Cost Class 3 & 4)			\$108,496		\$451,517						
BALDWIN TANK North, (.89% to Cost Class 3 & 4)				\$65,584						\$31,021	
BALDWIN TANK South, (.89% to Cost Class 3 & 4)						\$28,658					
ALTO TANKS N & S (.64% to Cost Class 3 & 4)						\$150,367			\$67,020		
PARKER TANK, (.64% to Cost Class 3 & 4)		\$30,106									
TOTAL High Demand items	\$0	\$60,106	\$125,096	\$481,578	\$451,517	\$196,642	\$17,969	\$102,028	\$67,020	\$31,021	\$0
10 Year Rolling Average (Cost allocated to Upper Tiers)		\$154,000	\$161,000	\$148,000	\$111,000	\$65,000	\$46,000	\$48,000	\$41,000	\$38,000	\$39,000
Costs allocated to all tiers & base rate:		\$726,000	\$652,000	\$742,000	\$1,014,000	\$1,293,000	\$1,576,000	\$1,869,000	\$1,997,000	\$2,202,000	\$2,459,000
Fiscal Year beginning July 1 ending June 30	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026

VENTURA RIVER WATER DISTRICT

COST OF SERVICE RATE ANALYSIS

2016

Prepared by: Bert J. Rapp, P.E. General Manager June 2016

Operating a Sustainable Water District requires a balance between the rates charged and the work necessary to maintain the District facilities and water supplies. The annual cost to operate the Ventura River Water District is about \$2.5 million per year. The District serves a population of about 5,800 persons through 2,150 services. The customers include single family, multi-family and commercial. The District does not have any agricultural customers. The District finances are required by the State to be revenue neutral; the water rates cannot cause the District to make a profit or suffer a loss over the long term.

The California Constitution Article 10, Section 2 prohibits the wasting of water and Article 13D requires the charges for water reflect the cost of providing that water. This “Cost of Service” water rate analysis strives to discourage the wasting of water by providing economic incentives to invest in water use efficiency, all the while tying the cost of water to the cost of providing the water.

Financial Planning: Customer usage data from 2007 to 2015 was compiled. The usage patterns were analyzed for the single family, multi-family and commercial customers. The usage patterns enable a need based distribution of costs of operating the district. The district’s current rate structure includes base rates plus four usage tiers. Operating and capital costs are compiled and revenue requirements are projected for a ten-year period from FYE 2016 through FYE 2025. Financial planning involves estimating annual O&M, capital expenditures and reserve requirements, and the determination of required annual user revenues from rates and charges.

- **Cost of Service Analysis:** Cost of Service Analysis involves identifying and apportioning annual revenue requirements to the different cost centers and defining unit costs so that costs can be allocated to the different user classes based on the costs of supplying their water.

- **User Classes:** User classes as determined by the customer’s usage patterns are:

- **Commercial**
- **Multi-family**
- **Single family**

Commercial and multifamily customers show a fixed rate of usage with very little peaking. During drought to normal years their usage has minimal variability because they do not have readily available ways to reduce usage without severe economic impacts. See Charts 4 & 5. Single family residential on the other hand has large fluctuations in usage and high peaking rates because of extensive landscape irrigation and the ability to minimize landscape irrigation during droughts. See Chart 4.

Cost Classes within the Single Family user class have been defined as follows:

Cost Class 1: 0 to 5 units per month. These single family customers utilize very little water outside the home. Their daily peak flows and fluctuations during drought years are minimal. Property tax revenues are discretionary and are applied to this cost class.

Cost Class 2: 6 to 12 units per month. These single family customers utilize some water outside the home irrigating modest landscaping, usually water efficient types of plants with efficient irrigation systems. Their daily peak flows and fluctuations during drought years are slightly larger than for Cost Class 1 customers.

Cost Class 3 & 4: 13 to 30 and greater than 30 units per month. These two cost classes have high peak flows and large usage fluctuations during drought years. The majority of the water used by these customers is for discretionary landscape irrigation. These cost classes are divided into two classes with approximately equal quantities of water usage per year. The purpose having these two classes is for assigning conservation incentives more proportionally to usage. For example, when supplemental water is purchased from Casitas the Purchase Water Surcharge will be assigned first to Cost Class 4 and then to lower cost classes in proportion to the amount of supplemental water purchased in relation to the amount used in each class.

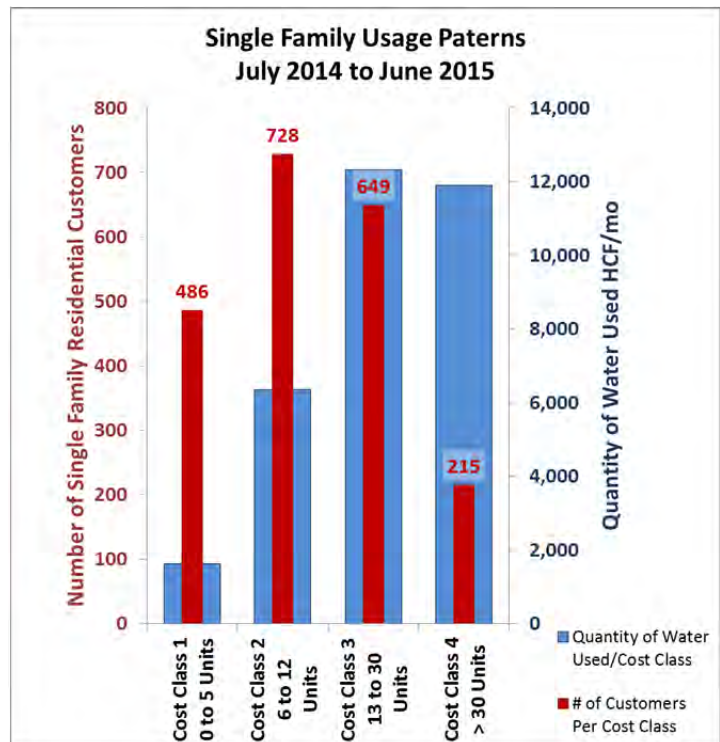


Chart 1

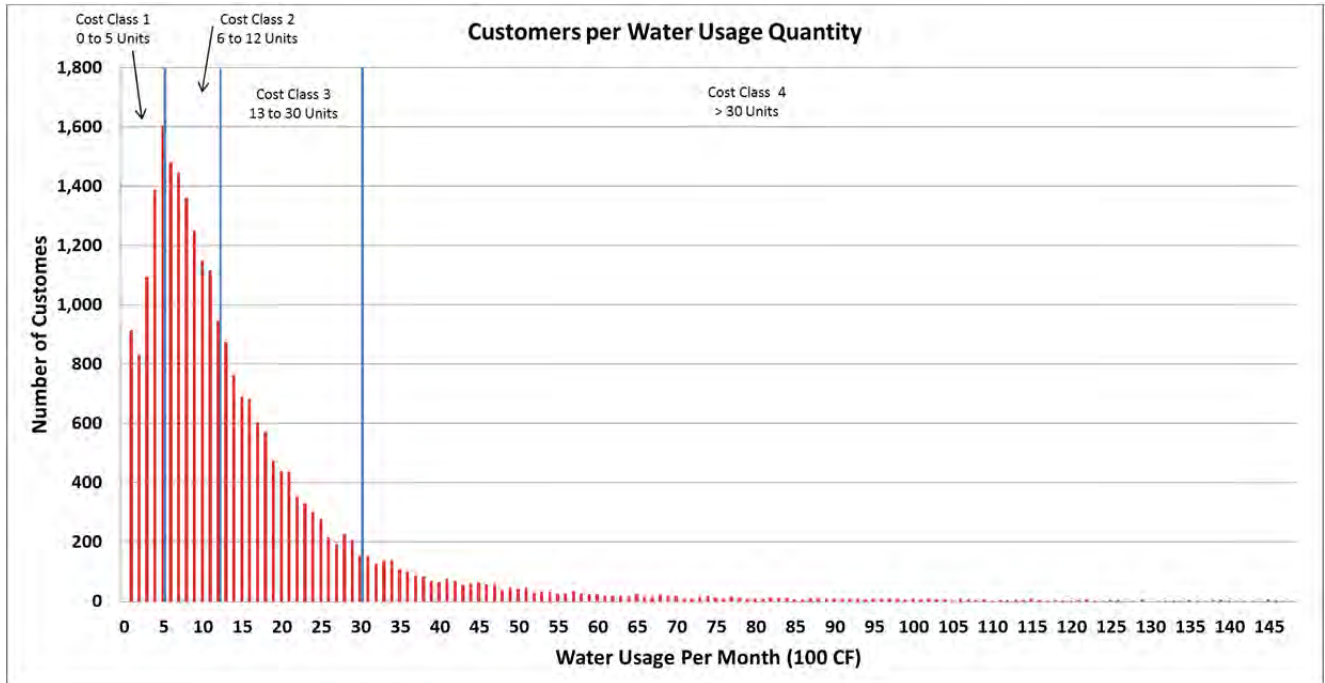


Chart 2

Cost Classes 1 and 2 combined are often referred to as “small users” in this report. Cost Classes 3 and 4 combined are often referred to as “large users.”

- **Rate Design:** Rate Design involves the development of a fixed and variable schedule of rates for each of the different user classes to proportionately recover the costs associated with such user classes. This is also where policy objectives can be achieved, such as encouraging water use efficiency.

The concept of proportionate allocation to user classes takes into consideration not only the average quantity of water used but also the peak rate of consumption. There are costs associated with design and construction of facilities used to meet peak demands, and these need to be allocated so that peaking costs can be calculated and appropriately assigned to cost classes.

The rate design is based upon the premise of generating annual revenues adequate to meet the estimated annual revenue requirements. As part of the rate design, revenues from other sources except water rates and charges, such as revenues from miscellaneous services, are deducted from the appropriate cost elements. Additional deductions are made to reflect interest income and other non-operating income during FYE 2016. See Table 4. Analysis is also

made to account for cash balances to ensure adequate collection of revenue and to determine annual revenues needed from rates.

Base and Usage Rate Assignments: Essentially all the revenue for the District is from the base rate and usage rate. The base rate is the fixed monthly fee attached to each meter and the usage rate is the cost per unit of water used. With cost class water rates the cost per unit of water increases the more the customer uses.

If all of the revenue generation were to be on the base rates the cost per month would be about \$95 per month. This would provide very stable revenues for the District regardless of how much water the customers used and the customer would have no control of the size of their water bill. However, this approach would not meet the objective of discouraging the waste of water, encouraging efficient use of water or allocating the cost of service in proportion to usage patterns.

If all of the revenue generation were to be on the usage rates the goal of encouraging the efficient use of water and cost of service can be achieved however district revenues would be subject to large fluctuations as usage changed.

The proposed rate structure minimizes the base rate and maximizes the usage rate. This enables the flexibility to allocate costs according to the cost of service, encourages the efficient use of water, allows the customer to decide how large of a water bill they want but does increase the variability revenue generation. To compensate for usage and revenue fluctuation two stabilization approaches are proposed: establishment of a Water Sales Fluctuation Reserve charged to the cost classes that fluctuate the most and an ability to adjust the unit cost of water as usage fluctuates from year to year.

Determination of Costs Allocated to Large Single Family Users ie. Cost Classes 3 & 4: Large water users create special water demand for higher flow rates and larger water quantities. Higher flow rates require more wells to produce the water, more and larger pumps to boost the water into the system and up to the higher elevations. The water storage tanks need to be larger to hold the operational and emergency storage waters needed when pumps cannot produce the quantity of water needed by the large users.

Flow Rate Cost of Service Allocation: The purpose of this analysis is to determine the flow rate required for the Cost Classes 1 & 2 customers compared to the larger user in Cost Classes 3 & 4. The highest usage months are July, August and September and were used for comparison.

Table 1 shows the ratio of pumping for the Cost Class 1 & 2 users compared to the larger users in Cost Classes 3 & 4.

Flow Rate Calculation for Small and Large Water Users			
Summer of 2014 Water Useage			
Flow Needed for Small Users 0 to 12 Units per month:			
July August September Usage 0 to 12 units =		17,143	Units of water
Pumping rate Required for < 13 units =	92 days 18 hrs per day =	129	Gal/Minute
Flow Needed for Large Users > 12 Units per month:			
July August September Usage > 12 units =		134,553	Units of water
Pumping rate Required for > 17 units =	92 days 18 hrs per day =	1,013	Gal/Minute
Total Pumping Rate Required:		1,142	Gal/Minute
Tank Maintenance: Use the following ratios to allocate tank maintenance:			
		Small Users	Large Users
Pumping ratio: small to large users =		11%	89%
The above ratios need to be applied to the storage in the tanks associated with use, see table below.			
For the Baldwin and Parker pump stations allocate the costs in proportion to the actual pumps and the small user's demand of 129 GPM:			
Booster Stations: 1,887 gpm/129 gpm, use 93% to upper Tier			

Table 1

Water Storage Tank maintenance cost distribution is applied at 11% for small users and 89% as shown in Table 2.

Water Storage Maintenance Cost Allocations

		Tank Maintenance Allocations	
Storage Type	Gallons in Parker and Alto Tanks	Small Users 11%	Large Users 89%
Operational	1,254,677	138,014	1,116,662
Emergency	2,509,353	276,029	2,233,324
Fire	1,500,000	0	0
Total	5,264,030	414,043	3,349,986
Maintenance Allocations to Parker and Alto Tanks		8%	64%
Baldwin Tanks are for pumping only, not storage so their allocations are:		11%	89%

Table 2

An additional water storage tank on the Parker site is needed for operational storage and scheduled to be constructed in year 2020. All of the cost of this operational storage is allocated to Cost Classes 3 & 4 because the existing Parker tank is sufficient for the small users.

Zone 1 and Zone 2 Cost Differential: There is a 10% cost difference between the usage rates charged in Zone 1 and Zone 2. This generates the revenue necessary to operate and maintain the Parker Pump Station that pumps water from Zone 1 up to Zone 2.

Water Sales Fluctuation Reserve: The revenues for the Water Sales Fluctuation Reserve will be collected from the Single Family Residential cost classes in proportion to their usage fluctuation. See Chart 6. These revenues would not be collected from Commercial or Multi-family user classes because their usage does not fluctuate consistently or to any large degree. See Chart 5.

Fluctuation in Usage: Chart 3 shows how usage varied from 2007 to 2015 from all customer classes combined.

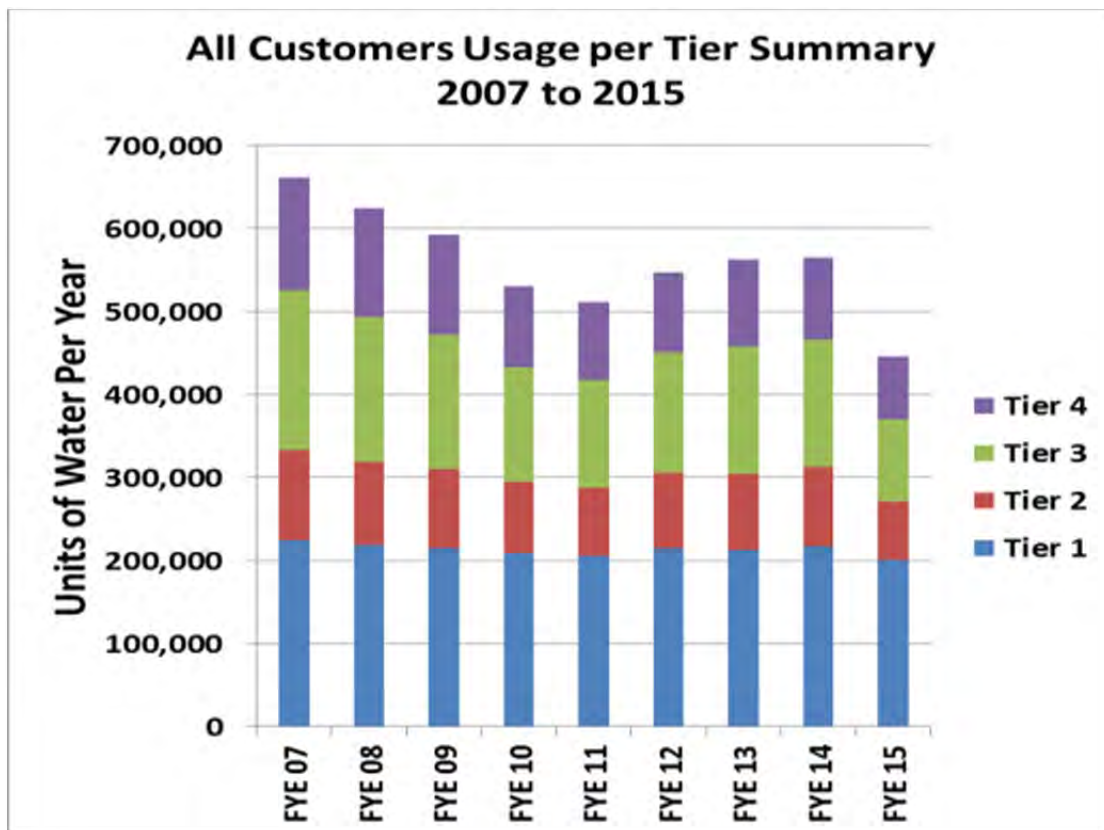


Chart 3

When the Multi-Family and Commercial classes are separated out from the declining usage period from 2007 to 2011 it is apparent that the usage fluctuation is overwhelming occurring within the Single Family class as seen in Charts 4 & 5.

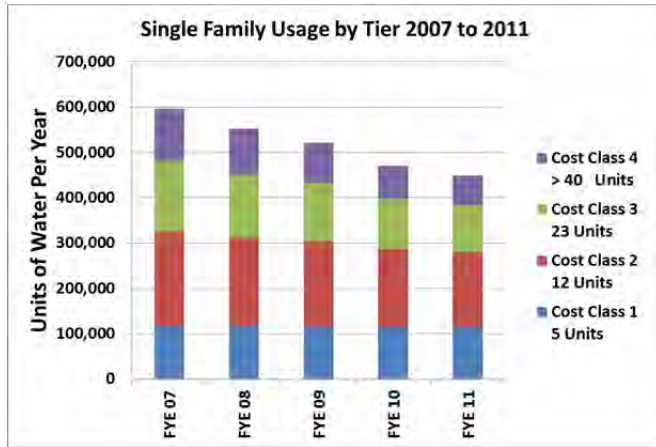


Chart 4

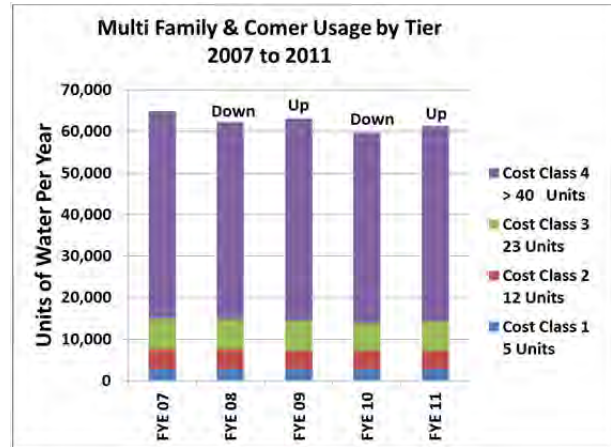


Chart 5

In general multi-family customers and commercial customers do not have a large outdoor irrigation component as a part of their water usage, and therefore do not have the ability to reduce their water usage without significant economic impacts. Based upon the stable usage patterns for multi-family and commercial users and their inability to significantly modify their usage, they are assigned a fixed cost usage rate category.

The usage within the single family class fluctuated from 2007 to 2011 as shown in Chart 6:

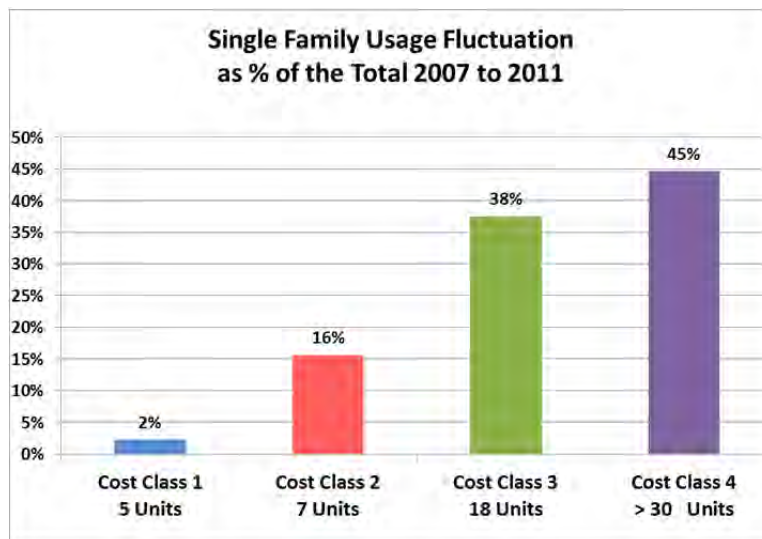


Chart 6

The cost allocations for the Water Sales Fluctuation Reserves are added to the Single Family Cost Classes in proportion to their historic fluctuation rates shown in Chart 6.

Multifamily and Commercial customers usage data shows that their usage is fairly fixed with minor variations up and down during years of declining usage (0.4% of the total fluctuation over 5 years). Therefore the Water Sales Fluctuation reserves will not be collected from the Multifamily and Commercial customer classes.

Because the approach of placing most of the cost on “water usage” rather than on the “fixed base fee” there will be larger fluctuations in revenues when water usage increases or decreases. Therefore a provision has been added to allow the Board to increase the unit cost of water if usage drops. The amount of the cost increase and notification requirements are in the Protest Hearing Notice. The Board always has the authority to lower the unit cost of water if usage increases and excess revenues are collected.

Water Sales Fluctuation Reserve Calculation Recommended Balance

Single Family Revenues							
Zone	Tier 1 \$	Tier 2 \$	Tier 3 \$	Tier 4 \$	Single Family Revenue	Revenue Difference Per Year	Single Family Revenue Reduction
Zone 1	\$3.99	\$4.36	\$7.07	\$8.15			
Zone 2	\$4.39	\$4.80	\$7.78	\$8.97			
FYE 07	\$548,563	\$673,206	\$1,393,621	\$1,387,982	\$4,003,371		
FYE 08	\$544,130	\$636,802	\$1,266,899	\$1,218,713	\$3,666,544	-\$336,827	
FYE 09	\$540,691	\$618,342	\$1,181,921	\$1,087,584	\$3,428,539	-\$238,005	
FYE 10	\$536,479	\$577,713	\$1,031,335	\$901,576	\$3,047,102	-\$381,437	
FYE 11	\$533,223	\$559,478	\$972,892	\$813,756	\$2,879,349	-\$167,752	\$1,124,022

Theoretical Revenue FYE 2006/07: \$4,003,371

Analysis based upon proposed 2016 rates and actual usage in years FYE 07 through FYE 11

Recommended Water Sales Fluctuation Balance 1.2 X 2007 to 2011: \$1,350,000

Collect over 5 years: \$270,000

Table 3

Method of calculating usage rates per Cost Class: The calculations of the cost of each unit of water within the Single Family Cost Classes is shown in Table 4:

Determination of revenues needed to maintain the District

	OPERATING EXPENSE	\$2,160,119
	Minus Depreciation	(\$240,000)
	10 yr ave of CIP =	\$879,308
Allocation to Reserves: Use Fluctuation (assume 50% needed for Revenue 2016/17)		\$135,000
	Allocation to Reserves: Emergency	\$25,000
	Minus Purchase Water Surcharge Passthrough	(\$235,000)
Total Revenue Necessary to Meet Operations & CIP & Other Reserves:		\$2,589,427

Calculation of Costs to Place on Single Family Cost Classes

Total Revenue Necessary to Meet Operations, CIP & Reserves:	\$2,589,427
Minus Base Rate Revenue (\$10):	\$282,289
Minus Property Tax:	\$27,000
Minus Additional Dwelling Charge Revenue (\$5):	\$9,450
Minus the sum of the miscellaneous revenue items:	\$24,850
Minus Multifamily & Commercial Usage Revenue (Fixed Rate = \$5.35/Unit in Zone 1):	\$226,046
Minus Water Sales Fluctuation Reserve Allocation:	\$270,000
Minus Allocation to Upper Cost Classes - Operations:	\$130,000
Minus Allocation to Upper Cost Classes - CIP:	\$154,000
Subtotal of Special Costs allocated to upper tiers:	\$284,000
Operations & CIP Allocation to Single Family Cost Classes 1, 2, 3 & 4:	\$1,465,792

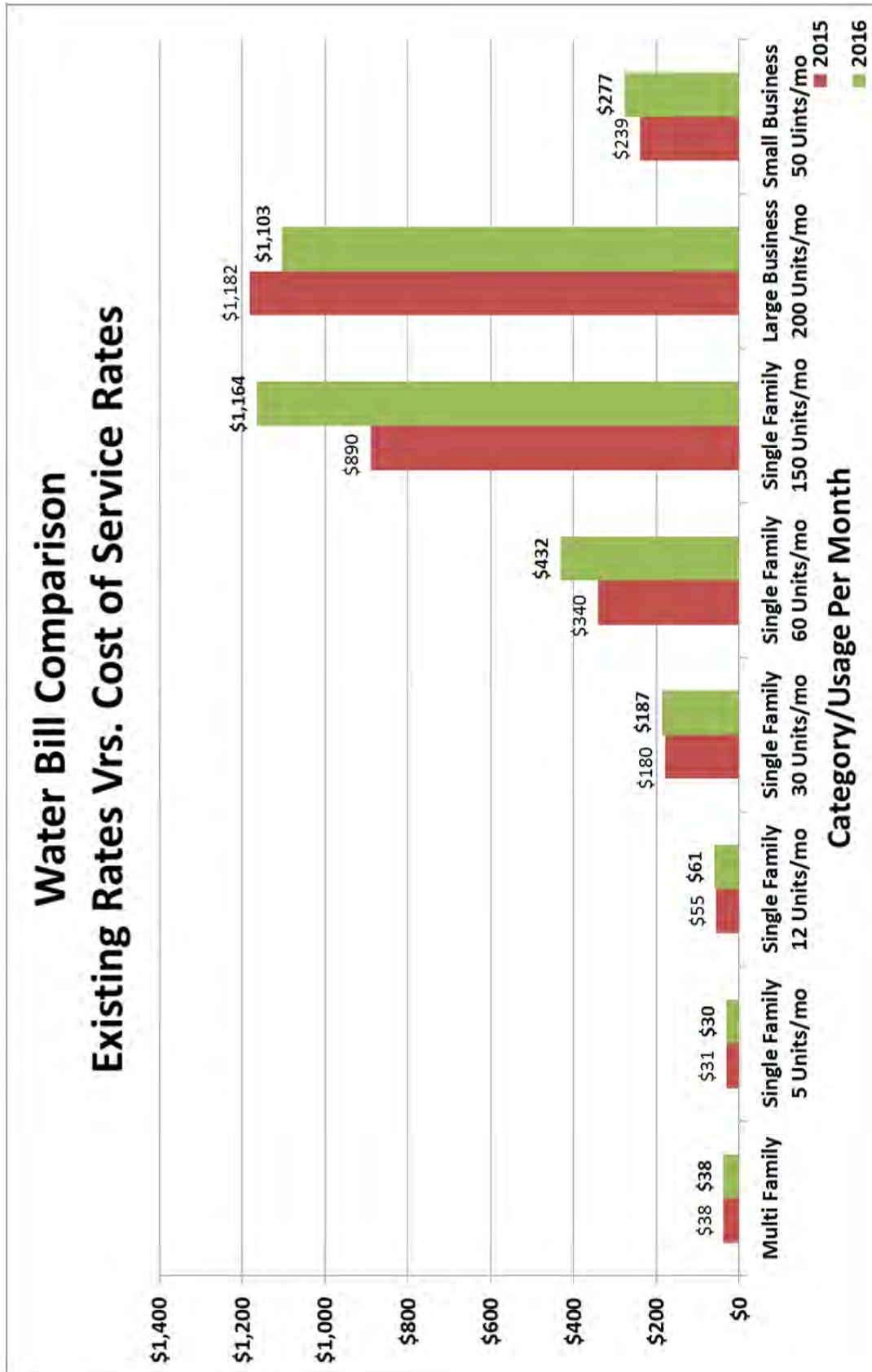
Single Family Cost Class Allocations

Water Usage Cost Allocations to Single Family Cost Classes					
	Cost Class 1	Cost Class 2	Cost Class 3	Cost Class 4	Totals
Water Usage:	112,190	94,645	81,122	49,392	337,350
Water Usage Fluctuation Rate:	2%	16%	38%	45%	100%
Water Usage Fluctuation Allocation:	\$6,022	\$42,093	\$101,287	\$120,598	\$270,000
Property Tax Revenue	-\$27,000				-\$27,000
CIP & Operating Costs to Cost Classes 3 & 4:			\$176,522	\$107,478	\$284,000
Operations & CIP Allocation to Single Family Cost Classes, Proportioned by usage:	\$487,469	\$411,236	\$352,476	\$214,610	\$1,465,792
Total Cost Assigned to each Single Family Residential Cost Class:	\$466,491	\$453,329	\$630,285	\$442,686	\$1,992,792

Table 4

2016 Cost of Service Rates				
Single Family Residential				
	5	7	18	> 30
	Cost Class 1	Cost Class 2	Cost Class 3	Cost Class 4
Zone 1	\$3.99	\$4.36	\$7.07	\$8.15
Zone 2	\$4.39	\$4.80	\$7.78	\$8.97
Multi Family Residential & Commercial				
	Cost Class 1	Cost Class 2	Cost Class 3	Cost Class 4
Zone 1	\$5.35	\$5.35	\$5.35	\$5.35
Zone 2	\$5.89	\$5.89	\$5.89	\$5.89
Additional Dwelling Charge				\$5.00
Base Rate:				
3/4" & 1" Meter				\$10.00
1 1/2" Meter				\$33.30
2" Meter				\$53.30
4" Meter				\$210.00

Table 5



Important Notice Regarding Your Water Rates
Notice of Public Protest Hearing
Ventura River Water District

CONVERSION TO COST OF SERVICE RATES

Dear Water Customer:

A water rate change is proposed to replace the current tiered rate structure with a structure based upon cost of service. This change is necessitated by the ruling made by the Court of Appeal for the Fourth District Court in Orange County in the San Juan Capistrano Tiered Rate Case. In that ruling the courts determined that the water rate tiers that are intended to encourage efficient use of water must also be proportional to the cost of providing that water.

The following is a summary of the major changes to the rate structure:

<u>Item</u>	<u>Old Rates</u>	<u>New Rates</u>
Monthly Base Rate, ¾" Meter	\$14.70	\$10.00
Additional Dwelling Charge	\$2.81	\$5.00
Quantity of water in:		
Tier 1: 10 Units		Cost Class 1: 5 Units
Tier 2: 7 Units		Cost Class 2: 7 Units
Tier 3: 33 Units		Cost Class 3: 18 Units
Tier 4: > 50 Units		Cost Class 4: > 30 Units

Commercial and Multifamily customer classes are currently charged tiered rates for water used. With the new rates they will be charged a fixed rate for water used.

The Purchased Water Surcharge is imposed when supplemental water must be purchased from Casitas because the District wells cannot produce enough water to meet high demands for water. The PWS is presently charged to all customers at an equal cost per unit of water. With this rate change the Purchased Water Surcharge will only be charged to customers served well water and it will be charged to the largest water users starting with Cost Class 4 and progressing to lower Cost Classes until the usage in the Cost Classes matches the amount of water purchased from Casitas.

New Water Conservation Efforts

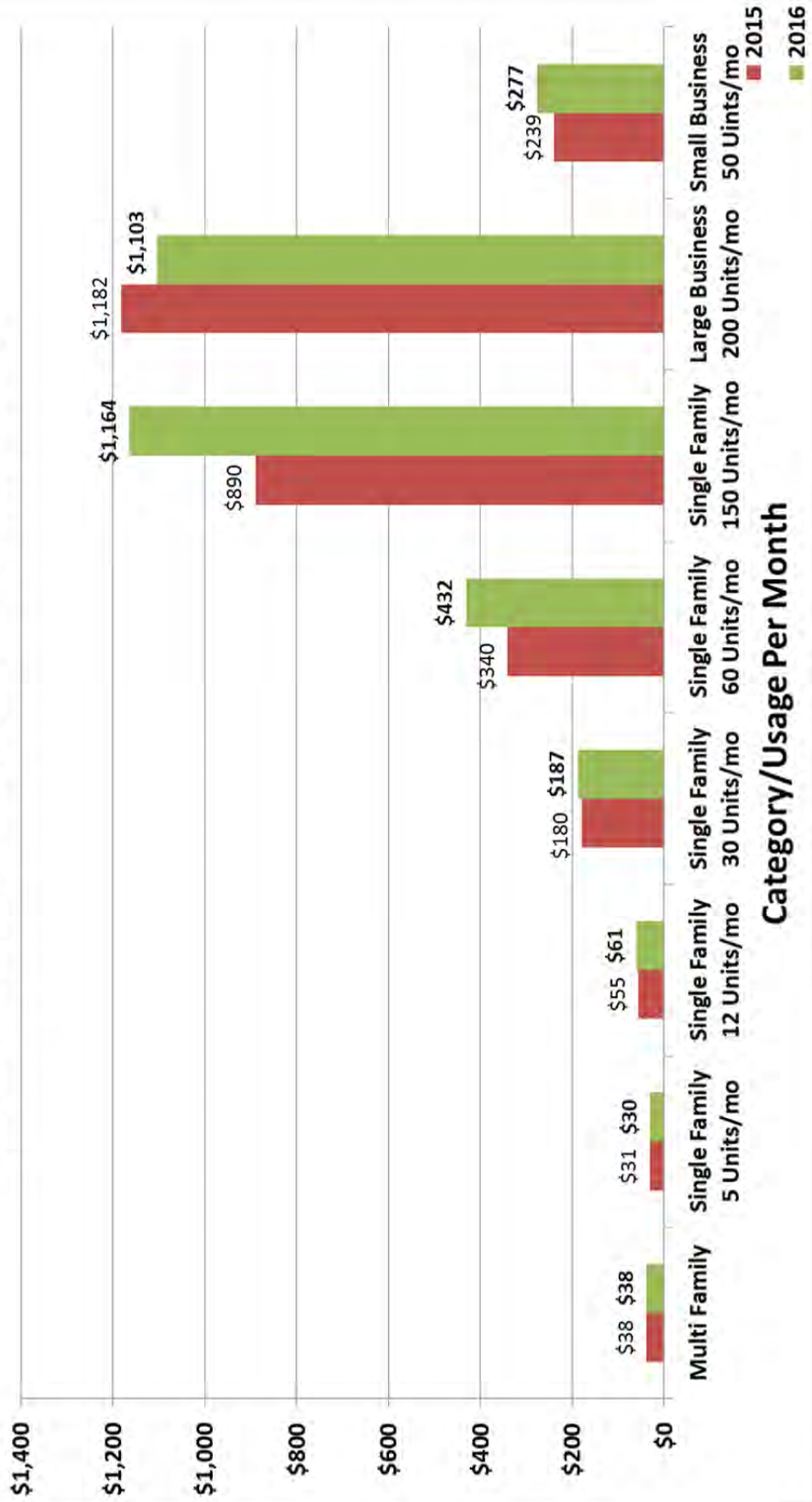
Starting in 2017 the District will offer texting water meters capable of notifying you once a day if you have a leak and will post your water usage each day.

This summer the District will be partnering with the Ojai Valley Green Coalition to provide water conservation education on such subjects as rain water capture, grey water reuse and low water landscaping.

In the spring of 2017 the District plans to implement Water Budget Rates where each customer is assigned a water budget based upon the number of persons, size of the lot, type of landscaping and the monthly evapotranspiration rates. This style of rates will help each customer determine if they are being conscientious with their water.

The following chart shows how the 2016 Cost of Service rates affect typical customers:

Water Bill Comparison Existing Rates Vrs. Cost of Service Rates



If you would like to review the detailed analysis of how the Cost of Service rates were determined please visit www.VenturaRiverWD.com and download the "Cost of Service Rate Analysis."

The following tables provide a detailed summary of the new Cost of Service Rates.

PROPOSED RATES					
BASE RATES					
Monthly Base Rates			Billing and Collection Charges		
EFFECTIVE DATE:	Current	September 15, 2016	Item	Current	September 15, 2016
5/8" – ¾" Meter	\$14.70	\$10.00	Delinquent Fee	\$11.00	\$11.00
1" Meter	\$14.70	\$10.00	Field Service Charge (Turn on/off for non payment)	\$44.00	\$46.00
1-1/2" Meter	\$41.24	\$33.30			
2" Meter	\$45.63	\$53.30			
4" Meter	\$146.45	\$210.00			
Each Additional Dwelling Unit Per Service	\$2.81	\$5.00			
Temporary Meter (Hydrant)	\$79.53	\$82.71			
Private Fire Standby: 1 1/2" to 6"	\$39.34	\$40.91			
Private Fire Standby: 8" to 12"	\$78.68	\$81.83			
Water Volume Rates					
Single Family Residential			Multi Family Residential & Commercial		
ZONE 1 - Areas Served by Parker Tank & Casitas Springs			ZONE 1 - Areas Served by Parker Tank & Casitas Springs		
HCF* used	Rates Per Unit Effective:		HCF* used	Rates Per Unit Effective:	
	Current	September 15, 2016		Current	September 15, 2016
HCF 01 – 5 (5 Units)	\$3.26	\$3.99	HCF 01 – 5 (5 Units)	\$3.26	\$5.35
HCF 6 – 12 (7 Units)	\$4.00	\$4.36	HCF 6 – 12 (7 Units)	\$4.00	\$5.35
HCF 13 – 30 (18 Units)	\$4.97	\$7.07	HCF 13 – 30 (18 Units)	\$4.97	\$5.35
HCF Above 30	\$6.11	\$8.15	HCF Above 30	\$6.11	\$5.35
ZONE 2 - Areas served by Alto Tank pressure & Monte Via & Rio Via			ZONE 2 - Areas served by Alto Tank pressure & Monte Via & Rio Via		
HCF 01 – 5 (5 Units)	\$3.50	\$4.39	HCF 01 – 5 (5 Units)	\$3.50	\$5.89
HCF 6 – 12 (7 Units)	\$4.30	\$4.80	HCF 6 – 12 (7 Units)	\$4.30	\$5.89
HCF 13 – 30 (18 Units)	\$5.33	\$7.78	HCF 13 – 30 (18 Units)	\$5.33	\$5.89
HCF Above 30	\$6.54	\$8.97	HCF Above 30	\$6.54	\$5.89
ALL ZONES					
Temporary (or Hydrant Meter)	\$4.72	\$7.00			
* HCF = 100 CUBIC FT = 748 GALLONS Note: Your zone is shown on your water bill on line 2 under "ZONE". If you cannot determine which zone your property is located in please call the office at (805) 646-3403.					

PURCHASED WATER SURCHARGE POLICY

When Lake Casitas water is purchased by VRWD in an amount that exceeds 1,000 hundred cubic feet (hcf) in any monthly billing period, a Purchased Water Surcharge (PWS) will be billed to customers. The PWS will only be charged to customers served well water and will be charged as follows: The PWS will be assigned to upper Cost Classes in Single Family Residential and Commercial accounts beginning with the usage in Cost Class 4 and then proceeding down to the lower Cost Classes until the quantity of water in the Cost Classes is greater than the quantity of water purchased. See the example below. The additional laboratory testing costs will be included in the PWS. The use of purchased water lowers electricity costs so the saved electricity expenses will be deducted from the PWS each month.

Purchased Water Surcharge Application Example

Quantity of Water Purchase:	10,000 Units
Cost per unit:	<u>\$1.50</u>
Total Cost:	\$15,000

Cost Class	Usage		PWS Allocation		Cost Allocation per unit	Total PWS Charge
Cost Class 1	5,000	Units	0	Units	\$0	\$0
Cost Class 2	8,000	Units	0	Units	\$0	\$0
Cost Class 3	8,000	Units	2,000	Units	\$0.38	\$3,000
Cost Class 4	8,000	Units	8,000	Units	\$1.50	\$12,000
						\$15,000

Usage Fluctuation Adjustments

Because the revenue generated by Cost of Service rates are highly sensitive to decreases in water usage due to drought conservation and the District is mandated by the State maintain the District to be revenue neutral, the Board shall have the authority to add to the Single Family Cost Classes 1 through 4 up to \$1.00 per unit after a 30 day written notice to the customers. The Board shall also reduce the Single Family Cost Classes 1 through 4 as appropriate if there is a significant usage increase.

Zone 1 rate: Includes the properties receiving water from the Parker Reservoir located at the top of Highland Drive. This water is pumped only once to reach this reservoir.

Zone 2 rate: Includes the properties receiving water from our Alto Reservoir located at the top of Alto Dr. This water is pumped twice to reach this reservoir.

Learn more about new drought requirements and these Cost of Service rates by attending one or both of these meetings:

PUBLIC MEETING ON THE DROUGHT AND COST OF SERVICE RATES

Wednesday July 20, 2016, 7:00 P.M.

Oak View Community Center
18 Valley Drive, Oak View

PUBLIC PROTEST HEARING ON THE COST OF SERVICE RATES

Wednesday September 14, 2016, 3:00 PM

Ventura River Water District
409 Old Baldwin Rd. Ojai, CA 93023

Should a property owner desire to submit a written protest to this rate change no specific form is required, however, it must be submitted by the customer of record of the property, must be in writing, and must include the customer's legibly printed name and the Assessor's Parcel Number. If you do not know your Assessor's Parcel Number, your protest letter should include the street address or information sufficient for VRWD to identify the property.

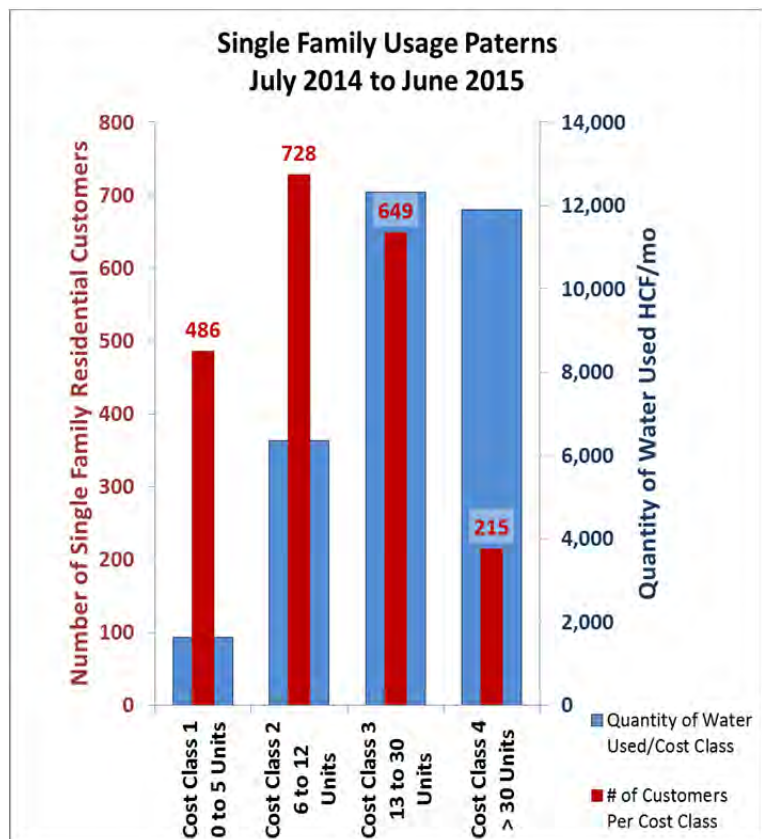
Your written protest must be fully completed, signed and submitted to the address listed above either by mail or in person before the close of the Public Protest Hearing on September 14, 2016 starting at 3:00 p.m.

If the District receives written protests from a majority of identified property owner customers in the District, the proposed increase will not be imposed.

Additional information may be obtained from Bert J. Rapp, P.E., General Manager.

The following water waste prohibitions are currently in effect and could lead to a \$500 fine:

- a) Allowing irrigation water to run off a property;
- b) Washing a vehicle without using an automatically shutting nozzle;
- c) The application of potable water to driveways and sidewalks;
- d) The use of potable water in a decorative water feature unless it has a recirculating system;
- e) Outdoor irrigation between 9:00 A.M. and 6:00 P.M., and;
- f) Limit outdoor irrigation to no more than two days per week.



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Electronic Bill	
Auto Pay:	Edit

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