



## FY 2017-2018 Utility Rate Survey

NOVEMBER 14, 2017 – REGULAR BOARD MEETING

AKBAR ALIKHAN, GENERAL MANAGER  
11/14/2017

1

## Why conduct a rate survey?



- Good measure of affordability compared to neighboring agencies
- Rates often used as an indicator of operational efficiency
- Periodic check-in of rate trends throughout County
  - Tiered vs. non-tiered water rates
  - Number of tiers
  - Fixed vs. fixed+variable sewer charges

11/14/2017

2



## Considerations with Rate Surveys

- Rates don't tell the full story. Take results with a "grain of salt".
  - Some agencies haven't adjusted rates in several years
  - Some agencies may undercollect (artificially keeping rates low)
- Agencies face different cost considerations
  - Different water supply mixes and costs
  - Age of system
  - Economies of scale (larger vs. smaller customer base to spread fixed costs over)
  - Different wastewater treatment requirements and processes
- Readers should ask if there are explanatory factors for differences

11/14/2017

3



## Methodology

- Survey includes 9 agencies in Western Ventura County/Eastern SB County
- Compares total water/sewer bill for a single family residential home with a common  $\frac{3}{4}$ " meter
  - Usage levels compared:
    - 2 HCF
    - 5 HCF (District average)
    - 10 HCF

11/14/2017

4



# Rate Components

Total water/sewer bills consist of the following components:

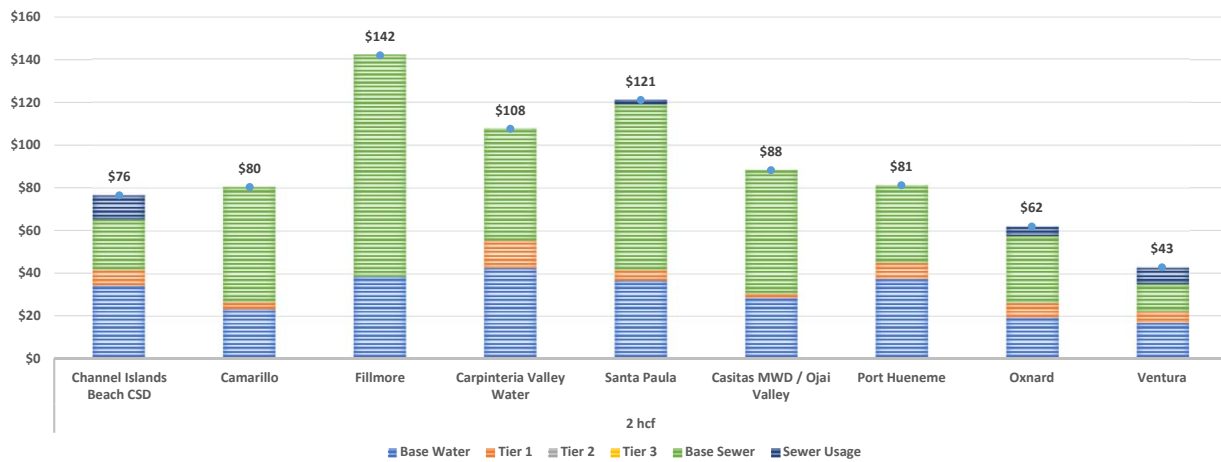
*\*Varies based on consumption*

1. Water Base Charge
  2. Tier 1 Water\*
  3. Tier 2 Water\*
  4. Tier 3 Water\*
  5. Sewer Base Charge
  6. Sewer Usage Charge\*
- Not all agencies will have every component
    - e.g. an agency with a flat sewer charge, won't have any sewer usage charges)



# Total Bill at 2 HCF

BILL COMPARISON AT VARIOUS USAGE LEVELS (SFR CUSTOMERS)





# Total Bill at 2 HCF - Ranking

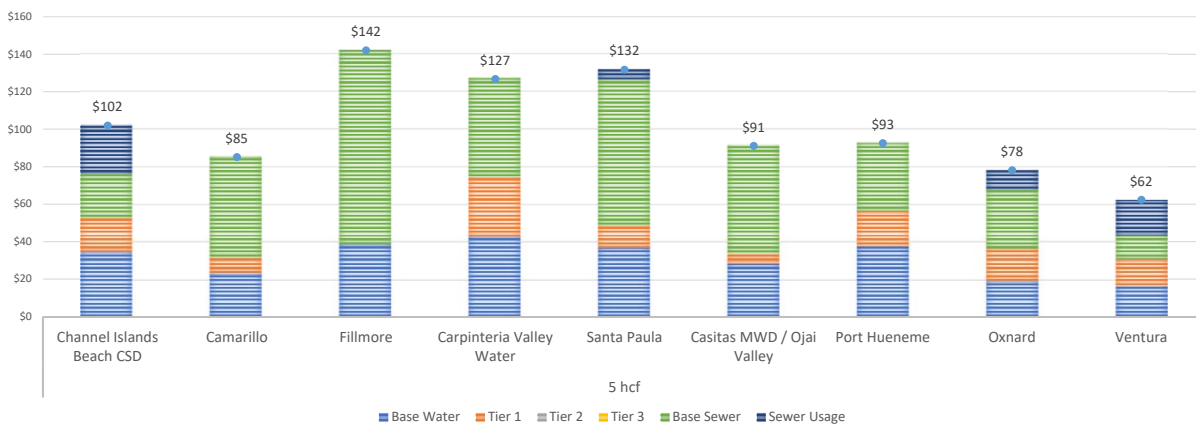
Rank	Agency
1	Fillmore
2	Santa Paula
3	Carpinteria Valley Water
4	Casitas MWD / Ojai Valley
5	Port Hueneme
6	Camarillo
7	<b>Channel Islands Beach CSD</b>
8	Oxnard
9	Ventura

1 = most expensive, 9 = least expensive



# Total Bill at 5 HCF

BILL COMPARISON AT VARIOUS USAGE LEVELS (SFR CUSTOMERS)





# Total Bill at 5 HCF - Ranking

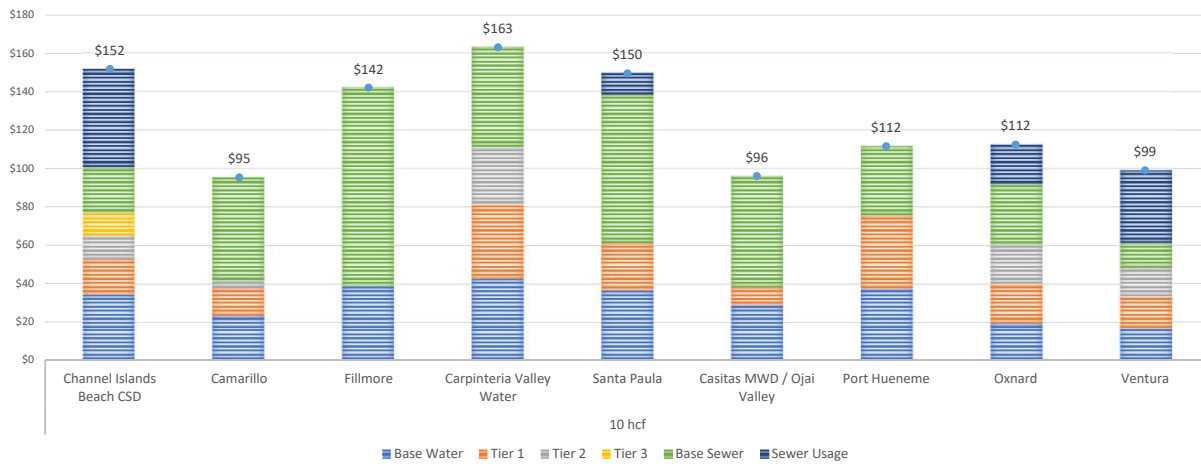
Rank	Agency
1	Fillmore
2	Santa Paula
3	Carpinteria Valley Water
<b>4</b>	<b>Channel Islands Beach CSD</b>
5	Port Hueneme
6	Casitas MWD / Ojai Valley
7	Camarillo
8	Oxnard
9	Ventura

1 = most expensive, 9 = least expensive



# Total Bill at 10 HCF

BILL COMPARISON AT VARIOUS USAGE LEVELS (SFR CUSTOMERS)



## Total Bill at 10 HCF - Ranking



Rank	Agency
1	Carpinteria Valley Water
2	<b>Channel Islands Beach CSD</b>
3	Santa Paula
4	Fillmore
5	Oxnard
6	Port Hueneme
7	Ventura
8	Casitas MWD / Ojai Valley
9	Camarillo

1 = most expensive, 9 = least expensive

## Conclusions



- District's rate structure promotes affordability for low users and sends a strong conservation signal to higher users
  - Consistent with Board policy objectives in 2016 Cost of Service and Rate Study
- Oxnard and Port Hueneme rates will likely undergo changes in the near future
  - Port Hueneme Cost of Service and Rate Study wrapping up this fall
    - New rates and potential introduction of tiers
  - Oxnard will be adjusting rates to work its way back to fully-funded levels