

FINANCE DEPARTMENT

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MEMORANDUM

DATE: November 30, 2017

TO: Greg Nyhoff, City Manager

VIA: Thien Ng, Interim Public Works Director

FROM: Jim Throop, Chief Financial Officer
Licette Maldonado, Utilities Finance Officer LM

CC: Ruth Osuna, Assistant City Manager
Jesus Nava, Assistant City Manager
Omar Castro, Water Division Manager
Phil Molina, City Treasurer
Eden Alomeri, Assistant City Treasurer/Revenue Accounting Manager
Michelle Ascencion, City Clerk

RE: Water Division Pass-Through Rate

On July 18, 2017, the City of Oxnard City Council approved Ordinance Number 2921 Establishing Fees and Charges for the use of and for services relating to City Water Service. Please administer the following adjustments to Water Utility rates effective January 1, 2018:

United Water Conservation District (UWCD) Pass-Through Water Rate Adjustment

The UWCD Board of Directors established new water rates that took effect July 1, 2017. The Board held a Public Hearing on June 14, 2017, to discuss groundwater conditions, the proposed rate increase and the Fiscal Year 2017-18 recommended budget, Resolution 2017-15. On July 12, 2017, UWCD Board of Directors repealed and replaced the FY 2017-18 rates and charges for the Oxnard Hueneme Pipeline.

The UWCD rate changes are as follows in the table below:

UWCD	FY 2017 Rates	FY 2018 Rates	\$ Change	% Change
Variable Rate Operations and Maintenance	\$ 306.60	\$ 306.60	\$ -	0.00%
Marginal Rate	\$ 163.38	\$ 152.25	\$ (11.13)	-6.81%
Fixed costs per Unit of Peak Capacity	\$ 394,215	\$ 446,431	\$ 52,216	13.25%

Calleguas Municipal Water District (CMWD) Pass-Through Water Rate Adjustment

At its June 21, 2017 Board Meeting, the CMWD Board of Directors adopted Resolution 1924, which established new rates effective January 1, 2018. The new CMWD rates are primarily a pass-through of increases from Metropolitan Water District of Southern California.

The CMWD rate changes since are as follows in the table below:

CMWD	FY 2017 Rates	FY 2018 Rates	\$Change	% Change
Tier 1 Rate	\$ 1,300.00	\$ 1,375.00	\$ 75.00	5.77%
*Readiness to Serve charge	\$ 821,168	\$ 781,157	\$ (40,011)	-4.87%

**Oxnard's share of the Readiness to Serve charge decreased approximately \$40,000, which helps to offset a small portion of the necessary pass-through adjustment.*

The City purchases approximately 47% of its water from CMWD. The rate changes from UWCD and CMWD will increase the City's variable component of the Water operating budget by 1.9%. The total effective rate increase varies depending on classification of customer type, meter size and tier of usage. Based on the new rate schedule, an average single family residential customer's monthly water bill will increase 1.4%, or \$0.93 per month.



Greg Nyhoff
City Manager

11-30-17

Date

Attachments – Pass-through Water Rates Adjustment

PASS-THROUGH WATER RATES ADJUSTMENTS

EFFECTIVE JANUARY 1, 2018

Customer Accounts and Fixed Charges			
Meter Size (Inch)	Current Rates	Pass-Thru Adjustment	Proposed Rates (Rounded)
Single Family - Includes Oceanview Res/Comm/Instit/Ind, Non-Agricultural			
3/4"	\$19.52	0.0%	\$19.52
1"	\$31.47	0.0%	\$31.47
1.5"	\$61.10	0.0%	\$61.10
2"	\$96.80	0.0%	\$96.80
3"	\$209.96	0.0%	\$209.96
4"	\$358.63	0.0%	\$358.63
6"	\$745.40	0.0%	\$745.40
8"	\$1,072.56	0.0%	\$1,072.56
10"	\$1,727.05	0.0%	\$1,727.05
Multi Family			
3/4"	\$17.73	0.0%	\$17.73
1"	\$28.49	0.0%	\$28.49
1.5"	\$55.16	0.0%	\$55.16
2"	\$87.28	0.0%	\$87.28
3"	\$189.13	0.0%	\$189.13
4"	\$322.93	0.0%	\$322.93
6"	\$671.03	0.0%	\$671.03
8"	\$965.47	0.0%	\$965.47
10"	\$1,554.51	0.0%	\$1,554.51
Commercial, Industrial, Irrigation, Institutional, Oceanview Agricultural, and *Metered Construction			
3/4"	\$14.16	0.0%	\$14.16
*1"	\$22.53	0.0%	\$22.53
1.5"	\$43.27	0.0%	\$43.27
2"	\$68.26	0.0%	\$68.26
*3"	\$147.47	0.0%	\$147.47
4"	\$251.54	0.0%	\$251.54
6"	\$522.28	0.0%	\$522.28
8"	\$751.29	0.0%	\$751.29
10"	\$1,209.44	0.0%	\$1,209.44

* Only applies to 1" and 3" Meter Sizes

*Unmetered Construction			
3/4"	\$36.86	1.4%	\$37.38
1"	\$67.93	1.4%	\$68.88
1.5"	\$156.77	1.4%	\$158.95
2"	\$295.26	1.4%	\$299.37

*Unmetered is a blended rate calculated by fixed charges and usage costs.

Customer Usage and Variable Rates

Tier	Allotment	Current Rates	Pass-Thru Adjustment	Proposed Rates (Rounded)
Single Family - Includes Oceanview Res/Comm/Instit/Ind				
Tier 1	0 to 9	\$3.36	1.9%	\$3.43
Tier 2	>9 to 15	\$5.16	1.9%	\$5.26
Tier 3	>15	\$6.14	1.9%	\$6.26
Total				
Multi Family				
Tier 1 (per DU)	0 to 8	\$3.58	1.9%	\$3.65
Tier 2 (per DU)	> 8	\$5.76	1.9%	\$5.87
Total				
Commercial, Industrial, and Institutional - Meter Size 2" or Smaller				
Tier 1	0 to 62	\$3.26	1.9%	\$3.33
Tier 2	> 62	\$5.77	1.9%	\$5.88
Total				
Commercial, Industrial, and Institutional - Meter Size 3" or Larger and Metered Construction				
All Usage	Uniform Rate	\$4.54	1.9%	\$4.63
Irrigation - Meter Size 2" or Smaller				
Tier 1	0 to 24	\$3.37	1.9%	\$3.44
Tier 2	> 24	\$6.00	1.9%	\$6.12
Total				
Irrigation - Meter Size 3" or Larger				
All Usage	Uniform Rate	\$5.16	1.9%	\$5.26
Oceanview Ag Irrigation - United Pass-thru				
All Usage	Uniform Rate	\$1.19	1.9%	\$1.20