
PUBLIC
VENTURA COUNTY
WORKS



Ventura County Waterworks District No.17

Bell Canyon Water Services
Fiscal Year 2019-2020 Water Rate Analysis

Ventura County Waterworks District No.17
Bell Canyon Water Services
Rate Analysis Objectives

- 1. Implementation of Approved Rate Study**
- 2. Fund construction of new 1.74 MG Reservoir**

Ventura County Waterworks District No. 17
Bell Canyon Water Services
Fiscal Year 2019-2020 Budget Analysis by Category

EXPENDITURES	FY19	FY20	Variance (\$)	Variance (%)
	ADOPTED BUDGET	REQUESTED BUDGET		
County & Agency Svcs	\$141	\$111	(\$30)	-21%
Imported Water Cost	\$2,350	\$2,345	(\$6)	0%
Operation & Maintenance	\$532	\$777	\$246	46%
Regulatory Permit Costs	\$36	\$0	(\$36)	-100%
System Maint, Repairs & Replc.	\$209	\$248	\$39	19%
Grand Total	\$3,267	\$3,481	\$214	7%

In thousands

The \$3.5M Budget is a \$214K (7%) increase from FY2019 Adopted budget

Ventura County Waterworks District No. 17
Bell Canyon Water Services
FY 20 Adopted O&M Expenditures vs. Revenue Analysis

SUMMARY:

Total Adopted O&M Expenditures

\$3,480,659

Total Estimated O&M Revenue

\$3,151,105

% of O&M Expenditures Financed by Water Sales

90%

% of O&M Expenditures Funded by Cash Reserves

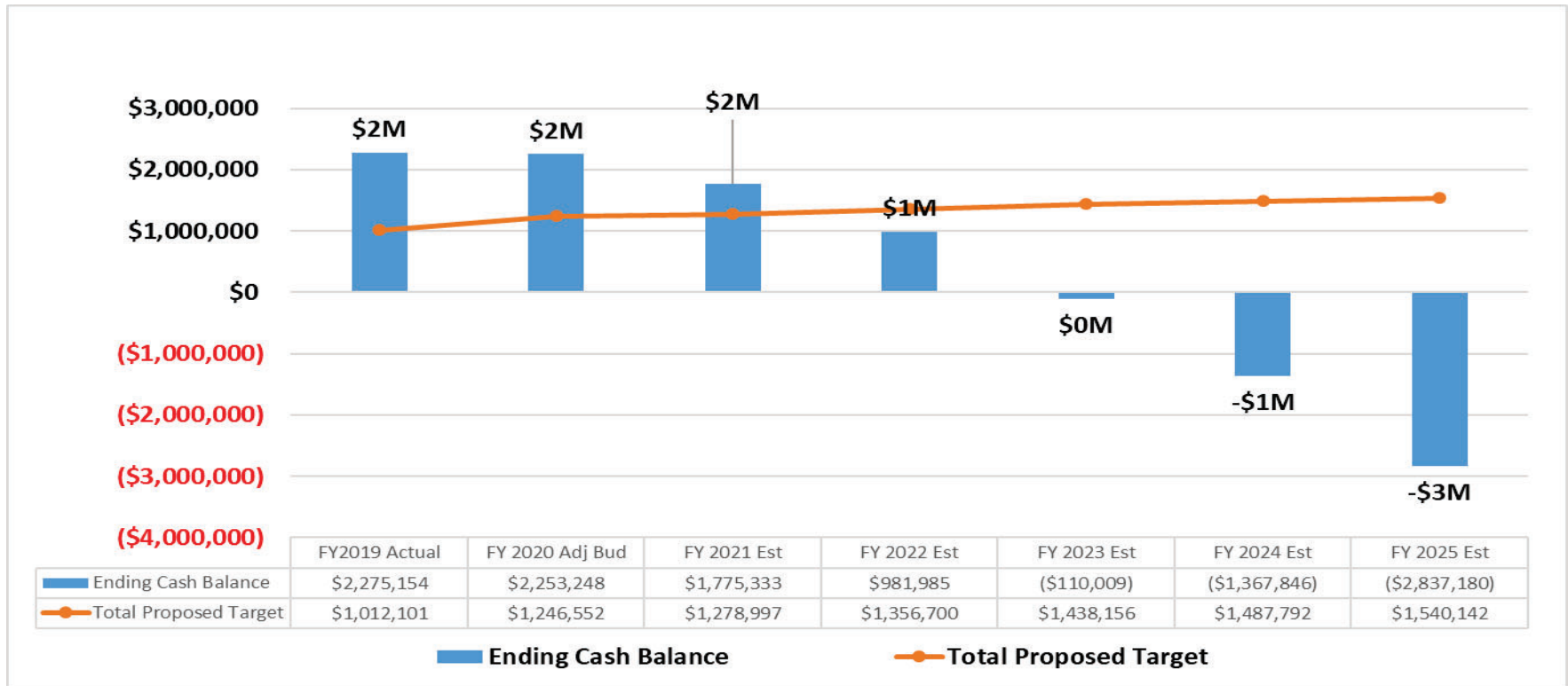
10%

Ventura County Waterworks District No. 17
Bell Canyon Water Services
Aggregate Rate Increase by Operating Components

RATE COMPONENTS	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
WSD ISF SERVICE RATE	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
EDISON RATE	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
CALLEGUAS RATE	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%

*Callegaus is an Annual Rate. CY 2019 3.5%; CY 2020 3.4%.

Ventura County Waterworks District No. 17
Bell Canyon Water Services
Cash Reserves Forecast With No Rate Increase



Reduction in Cash Reserves mainly due to operating losses and loan repayment

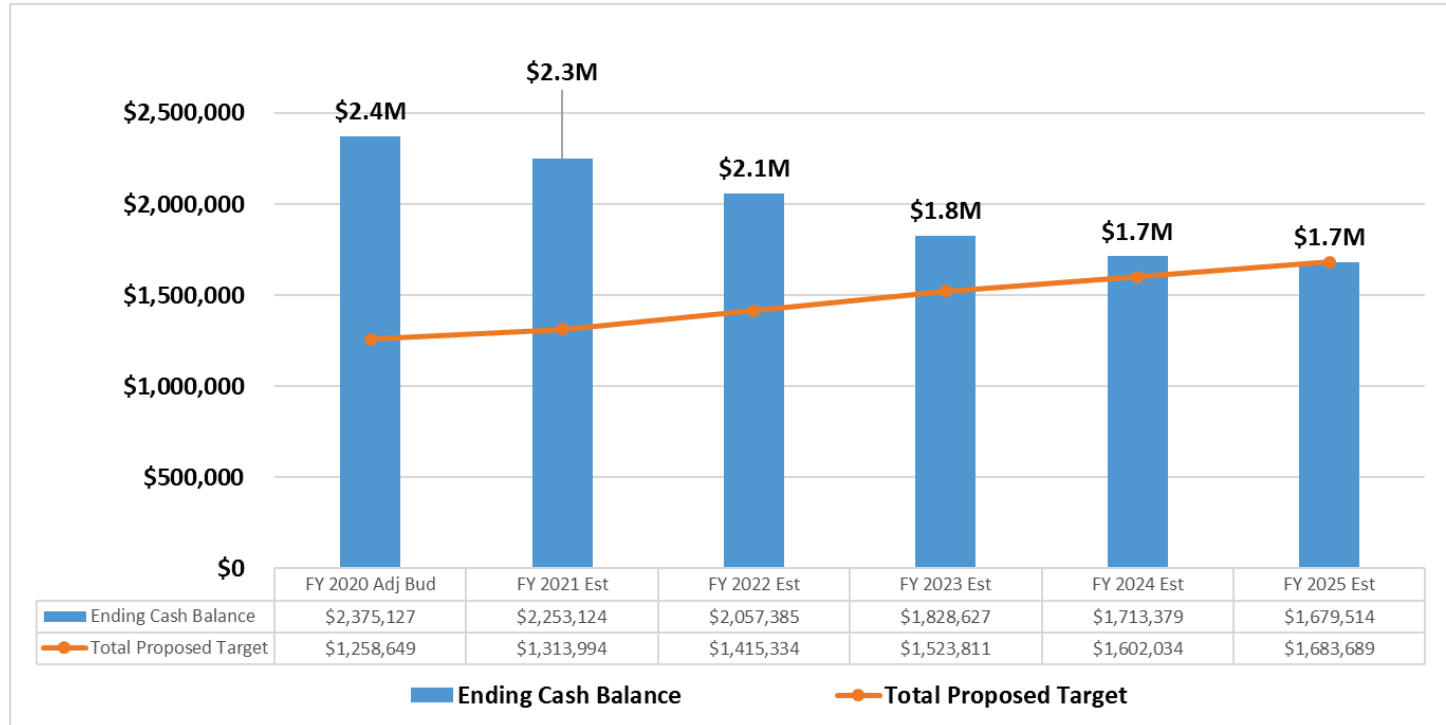
Ventura County Waterworks District No.17
Bell Canyon Water Services
Recommendations

- 7% Commodity rate
- 16% Fixed meter charge

Water Rate Study Scenario:

- 1.74 MG Reservoir Project estimated completion in Fiscal Year 2023
35% of the total Capital Cost will be expended in Fiscal Year 2020
- Capital Project fully funded by Bond Issuance. Propose Bond Terms:
5%, 30 Years, Issuance cost 2%
- Assumed no growth

Ventura County Waterworks District No.17
Bell Canyon Water Services
Cash Reserve Forecast With Recommended Rates

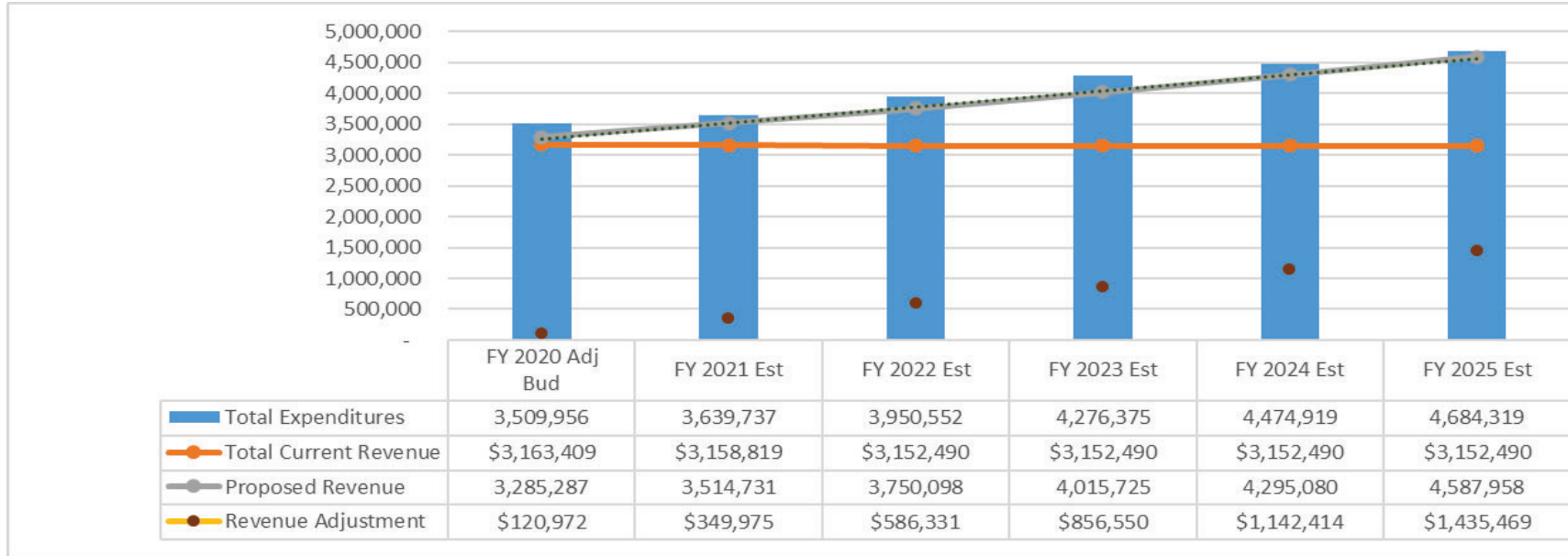


Proposed Rate Increase will help maintain cash reserves within targeted range

Ventura County Waterworks District No.17

Bell Canyon Water Services

Proposed Operating Plan With Recommended Rates



Illustrates the operating financial plan by comparing the existing and proposed revenues with projected expenses.

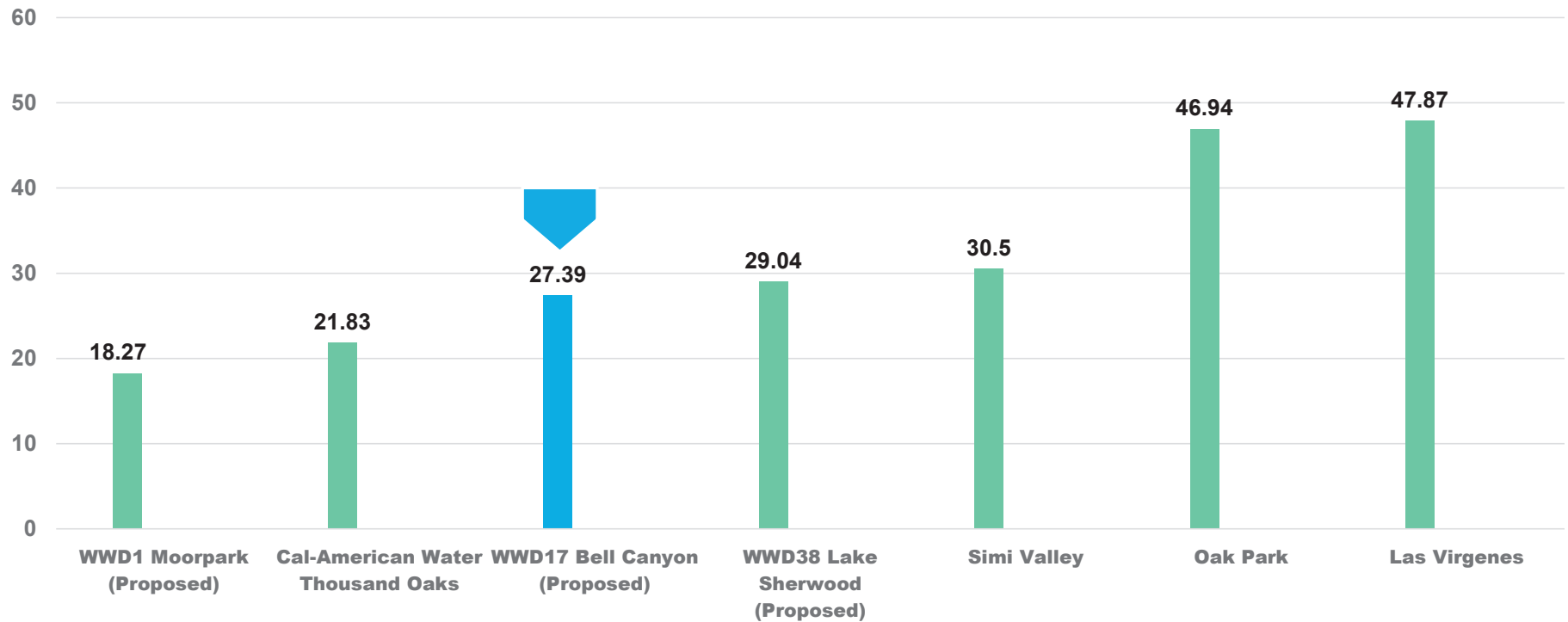
The expenses, shown in bars are O&M expenses.

Row 4 of graph table shows the compounding effect of Revenue Adjustment for each fiscal year given above proposed rate increases thru FY 2025.

Note: Commodity Rate Increases starts with 7% in FY2020 and 6% increases in outyears. Fixed Rate starts with recommended rate of 16% in FY2020 followed by cumulative escalation of 1%/year in the outyears.

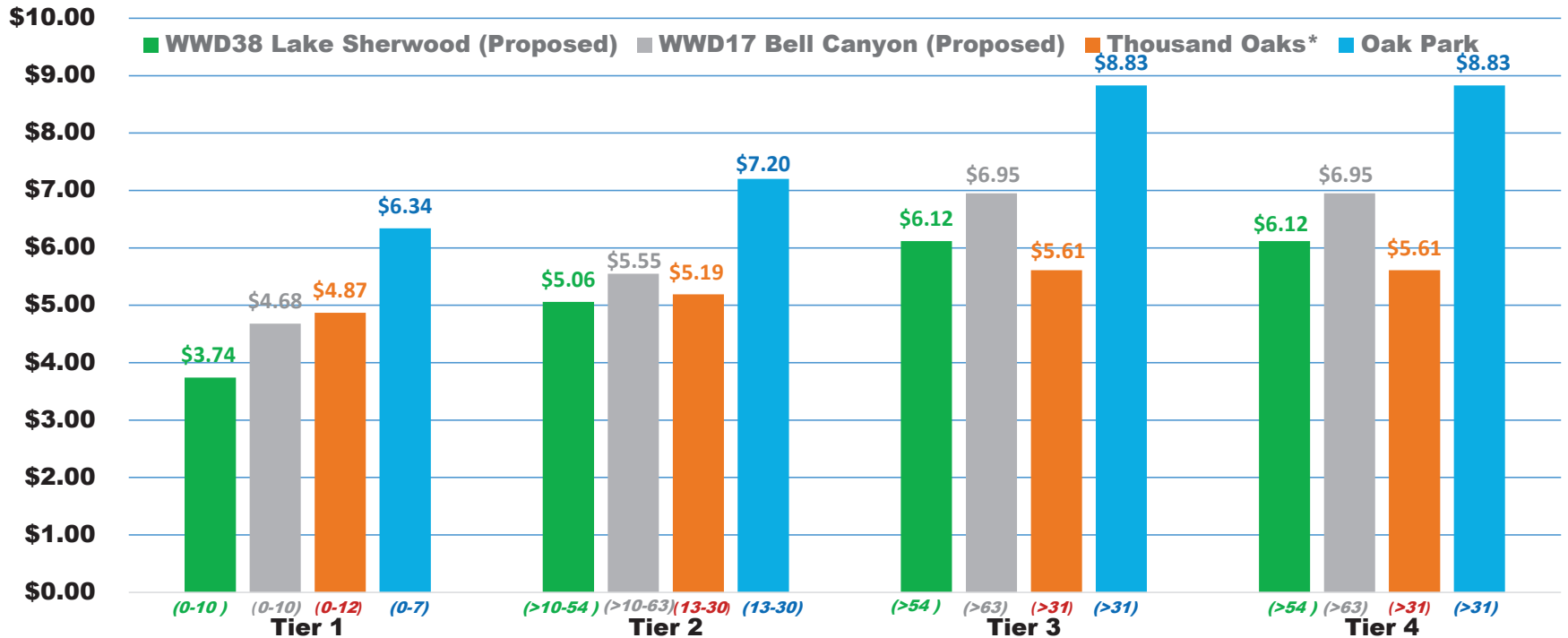
Ventura County Waterworks District No. 17
Bell Canyon Water Services – Rate Increase History

665 Residential Customers with a 1” Monthly Meter Charge



Ventura County Waterworks District No.17
 Bell Canyon Water Services

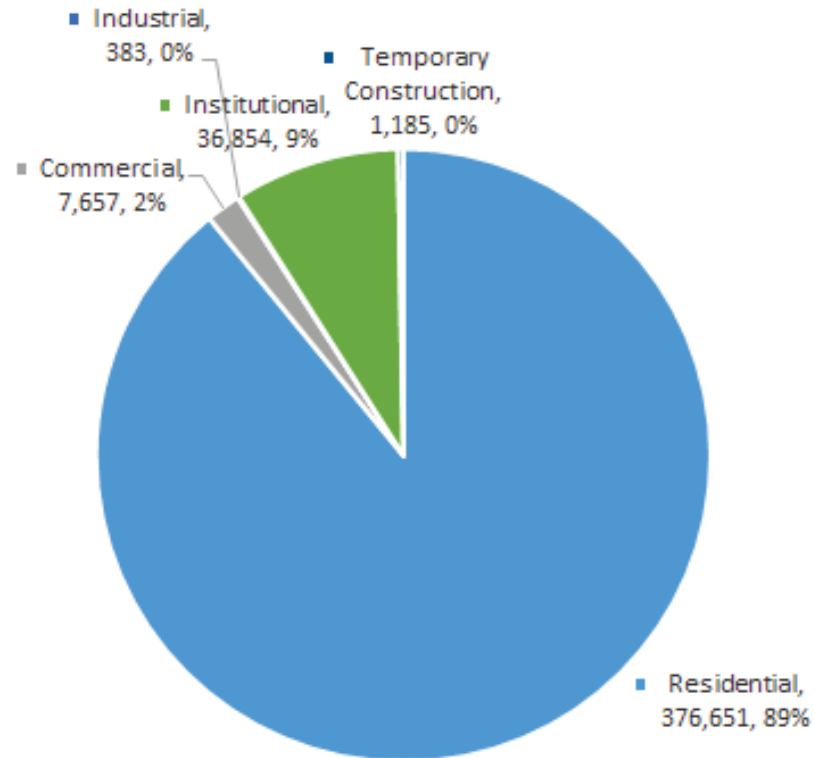
Comparison of Rate Structures (Residential) HCF



**Note: The City of Thousand Oaks does not include the pumping lift charge of \$.18 per unit*

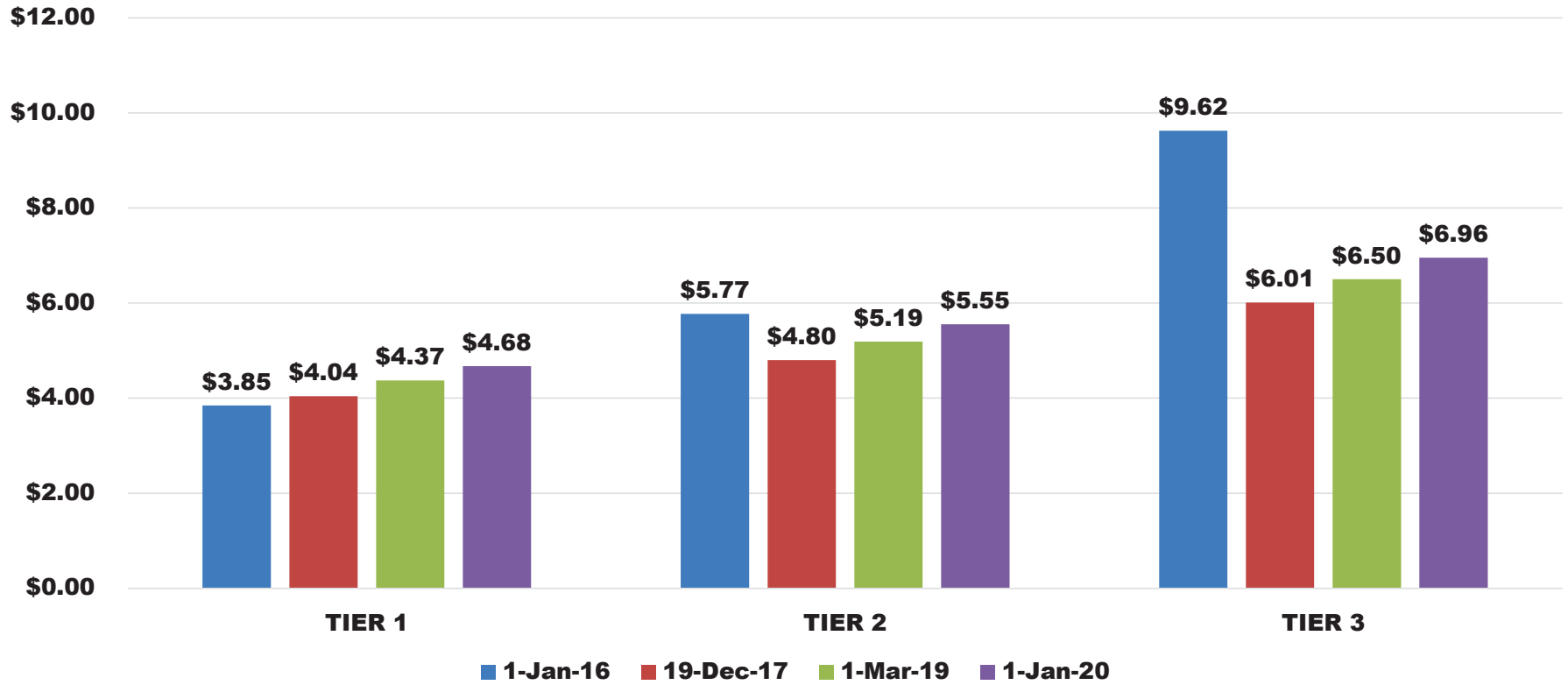
Disclaimer: While the information contained in this comparison has been presented with all due care, the County of Ventura Water and Sanitation Department does not warrant or represent that the information is free from errors or omissions.

Ventura County Waterworks District No. 17
Bell Canyon Water Services
Fiscal Year 2019 Actual Water Usage by Customer Class

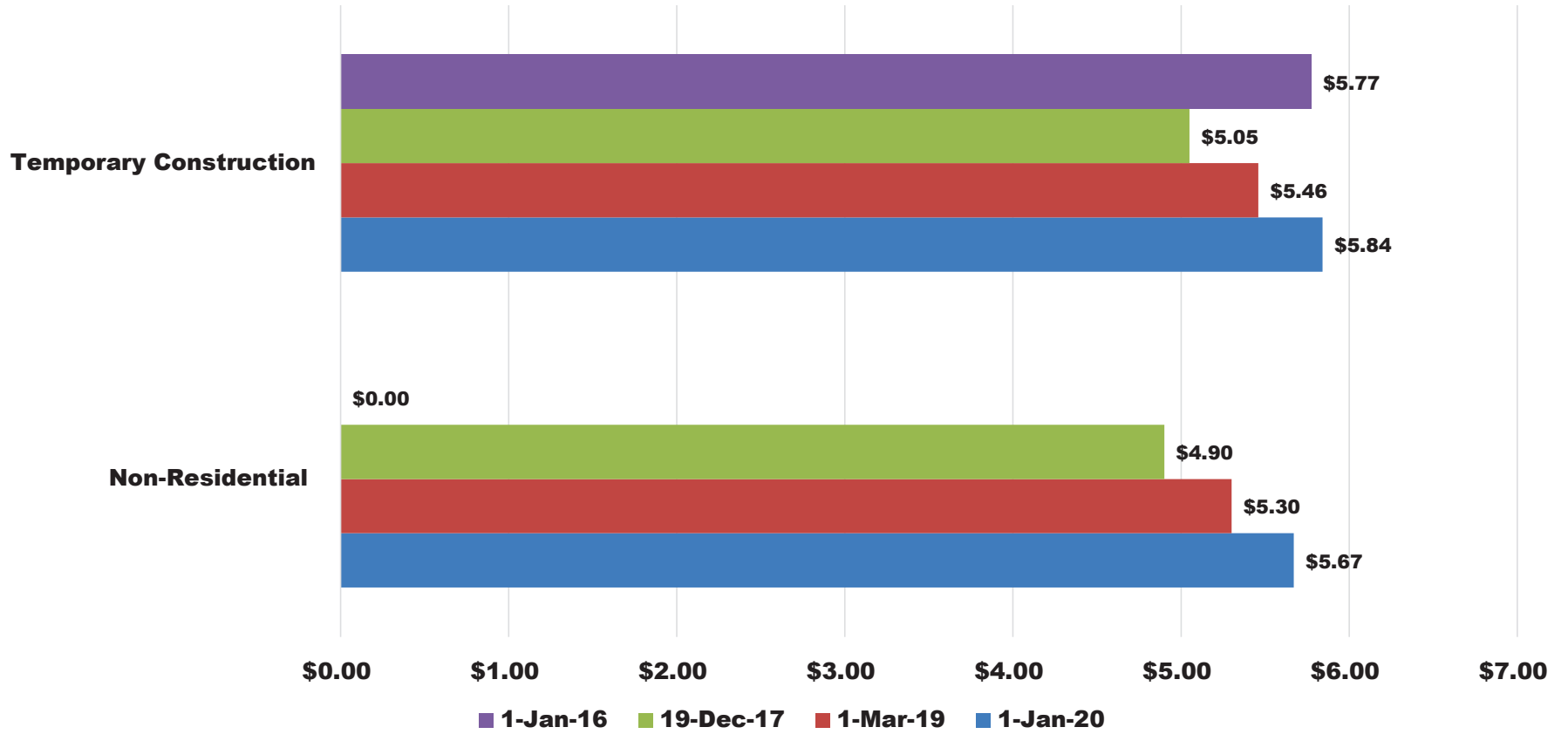


FY 2019 water usage by customer classification. First number in the pie chart is water usage in hcf followed by the percentage of total water usage by customer class. Percentage of allocation is the basis used in the rate study.

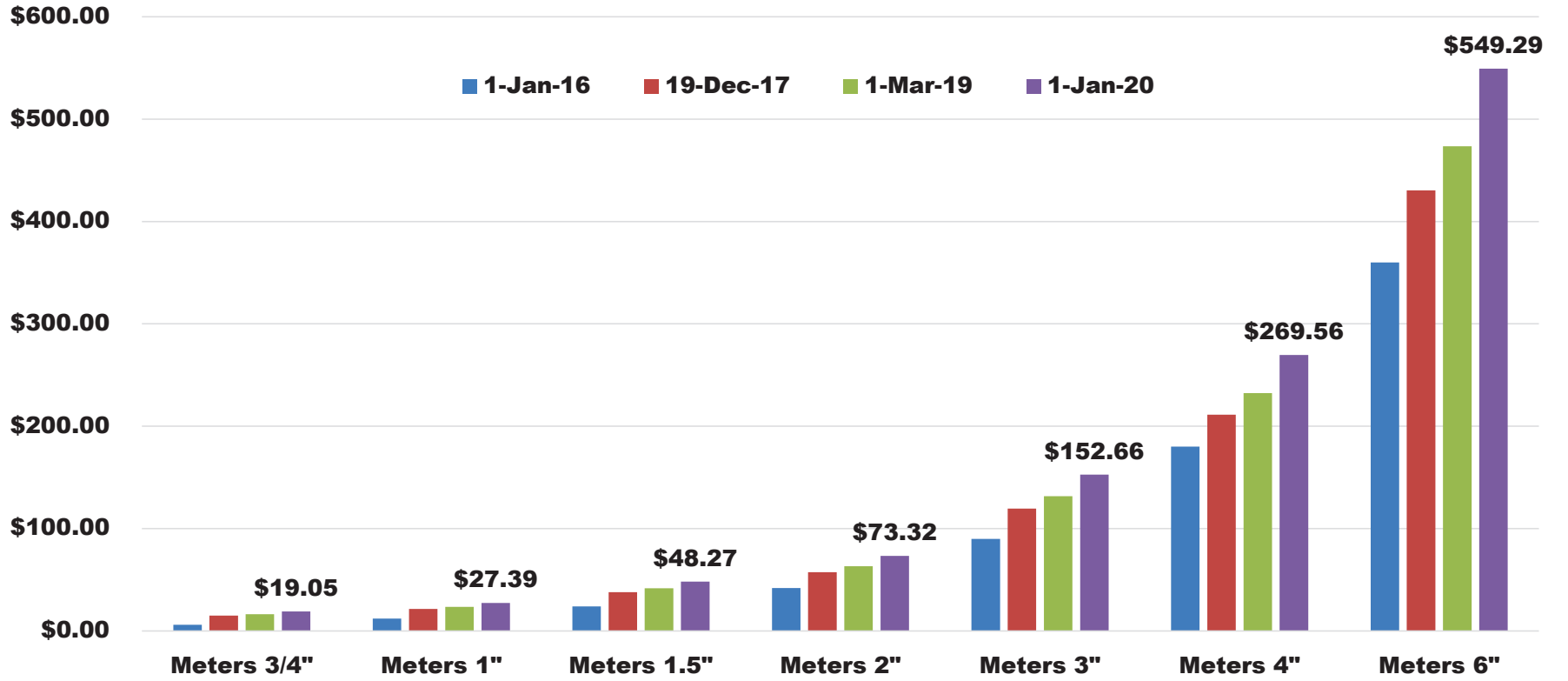
Ventura County Waterworks District No. 17
Bell Canyon Water Services
Rate Increase History



Ventura County Waterworks District No. 17
Bell Canyon Water Services
Rate Increase History



Ventura County Waterworks District No. 17
Bell Canyon Water Services
Rate Increase History



Ventura County Waterworks District No. 17
Bell Canyon Water Services
Net Results of Operation between Fiscal Years

OPERATION FUND	FY14 ACTUAL	FY15 ACTUAL	FY16 ACTUAL	FY17 ACTUAL	FY18 ACTUAL	FY19 ACTUAL	FY20 ADOPTED BUDGET	FY20 ADJUSTED BUDGET
Operating Revenue								
Water Sales	\$2,508,600	\$2,183,100	\$1,936,300	\$2,198,425	\$2,532,939	\$2,342,071	\$3,115,200	\$3,116,585
Other O&M Revenues	\$38,300	\$36,900	\$35,600	\$39,409	\$50,664	\$40,450	\$35,905	\$46,824
Total - Operating Revenue	\$2,546,900	\$2,220,000	\$1,971,900	\$2,237,834	\$2,583,603	\$2,382,520	\$3,151,105	\$3,163,408
Operating Expenditure								
Water Supply Cost	\$1,831,800	\$1,816,000	\$1,554,300	\$1,713,590	\$2,134,260	\$1,858,489	\$2,341,213	\$2,345,269
System Maint. Repairs & Replac.	\$32,500	\$49,700	\$55,800	\$78,495	\$71,039	\$227,142	\$211,100	\$211,100
O&M Labor	\$164,400	\$160,100	\$209,700	\$291,960	\$333,910	\$406,019	\$544,400	\$544,400
Meter Replacement & Change Outs	\$18,500	\$110,600	\$7,480	\$56,700	\$1,500	\$20,900	\$0	\$0
Misc O&M Cost	\$22,400	\$29,700	\$90,220	\$75,527	\$89,496	\$132,705	\$141,100	\$166,340
County and Agency Services	\$71,300	\$75,000	\$75,000	\$134,678	\$118,200	\$132,486	\$138,700	\$138,700
Funded Depreciation	\$41,900	\$69,200	\$69,100	\$104,074	\$104,217	\$104,217	\$104,145	\$104,145
Total - Operating Expenditure	\$2,182,800	\$2,310,300	\$2,061,600	\$2,455,024	\$2,852,622	\$2,881,960	\$3,480,659	\$3,509,955
Net Result of Operation	\$364,100	(\$90,300)	(\$89,700)	(\$217,191)	(\$269,019)	(\$499,440)	(\$329,554)	(\$346,546)

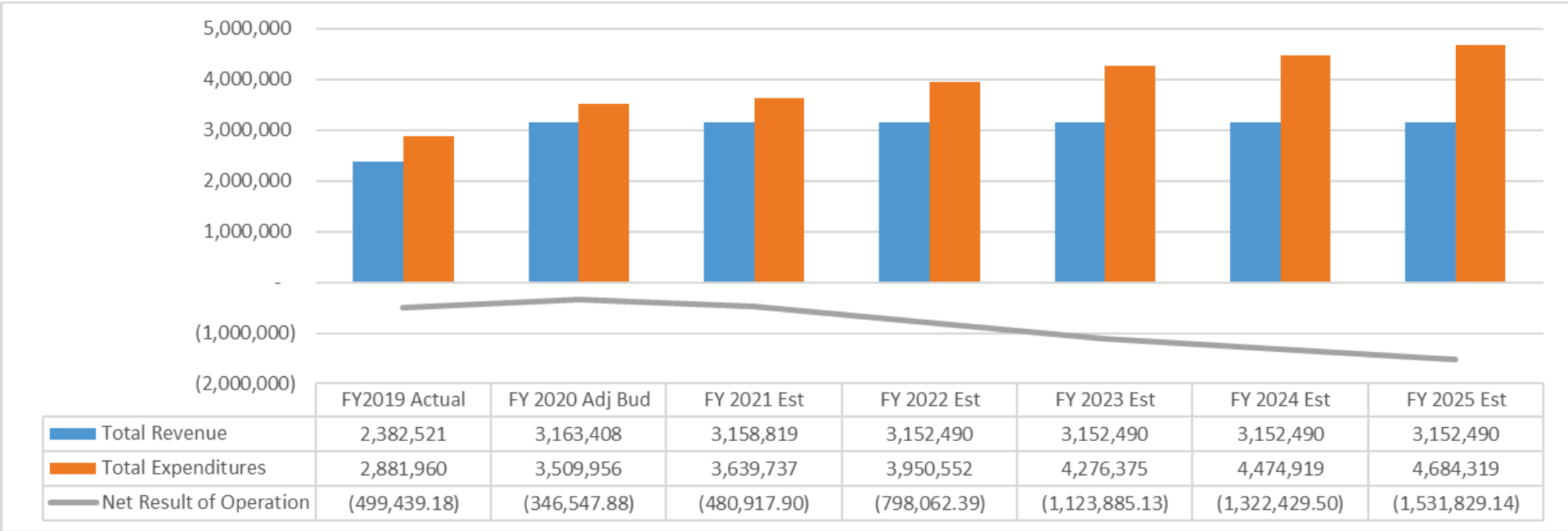
Fiscal Year 2019-2020 Adjusted Budget considers the following:

- Water Sales based on FY19 actual usage between customer type.
- Water Purchased using the FY19 (Jul-Dec) actual rates and Calleguas approved FY20 rate.

Ventura County Waterworks District No.17
Bell Canyon Water Services
Cash Reserves Analysis

CASH RESERVED FORECAST										
DESCRIPTION			FY14 ACTUAL	FY15 ACTUAL	FY16 ACTUAL	FY17 ACTUAL	FY18 ACTUAL	FY19 ACTUAL	FY20 ADOPTED BUDGET	FY20 ADJUSTED BUDGET
Cash Inflows										
Depreciation			\$41,900	\$69,200	\$69,100	\$104,074	\$104,217	\$104,217	\$104,145	\$104,145
Other Revenues			\$17,700	(\$3,100)	\$24,100	\$30,135	\$44,266	\$68,253	\$4,025,549	\$406,900
Operating Gain			\$364,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Inflows			\$423,700	\$66,100	\$93,200	\$134,209	\$148,483	\$172,470	\$4,129,694	\$511,045
Cash Outflows										
Water System Improvement			\$0	\$0	\$0	\$0	\$0	\$0	\$705,000	\$130,000
Water Construction Project			\$54,000	\$139,600	\$1,633,700	\$14,163	\$0	\$2,000	\$3,950,000	\$388,000
Other Capital Expenses			\$0	\$0	\$0	\$0	\$0	\$0		
Operating Loss			\$0	\$90,300	\$89,800	\$217,191	\$269,019	\$499,440	\$329,554	\$346,546
Total Cash Outflows			\$54,000	\$229,900	\$1,723,500	\$231,353	\$269,019	\$501,440	\$4,984,554	\$864,546
Cash Flow Positive / (Negative)			\$369,700	(\$163,800)	(\$1,630,300)	(\$97,144)	(\$120,536)	(\$328,970)	(\$854,859)	(\$353,501)
Beginning Cash Balance			\$4,624,100	\$4,993,800	\$4,830,000	\$3,219,400	\$3,122,256	\$2,935,720	\$2,606,750	\$2,606,750
Ending Cash Balance			\$4,993,800	\$4,830,000	\$3,199,700	\$3,122,256	\$3,001,720	\$2,606,750	\$1,751,891	\$2,253,249

Ventura County Waterworks District No. 17
Bell Canyon Water Services
Projected Net Results of Operation with No Rate Increase



Ventura County Waterworks District No. 17
Bell Canyon Water Services
O&M Expenditures and Revenue Requirements

	FY 2020		
	Operating	Capital	Total
Revenue Requirements			
Water Purchase	\$2,345,269		\$2,345,269
Water System Power	\$3,300		\$3,300
Other O&M Expenses	\$1,032,000		\$1,032,000
Funded Depreciation		\$104,147	\$104,147
Debt Service			
Existing Debt Service		\$0	\$0
Proposed Debt Service		\$25,240	\$25,240
Total Revenue Requirements	\$3,380,569	\$129,387	\$3,509,956
Less: Revenue Offsets			
Other O&M Revenues	\$35,905		\$35,905
Interest Earnings	\$10,919		\$10,919
Total Revenue Offsets	\$46,824	\$0	\$46,824
Less: Adjustments			
Adjustment for Cash Balance	\$260,842		\$260,842
Adjustment for Mid-Year Increase	(\$85,706)		(\$85,706)
Total Adjustments	\$175,135	\$0	\$175,135
Revenue Requirement from Rates	\$3,158,610	\$129,387	\$3,287,997

Ventura County Waterworks District No. 17
Bell Canyon Water Services
Distribution of Rate Funded Operation and Maintenance Cost

	Supply	Base Delivery	Max Day	Max Hour	Meter	Customer	General	TOTAL
Operating Expenses	\$1,977,532	\$439,102	\$247,126	\$103,278	\$112,526	\$49,376	\$191,704	\$3,158,610
Capital Expenses	\$0	\$57,678	\$26,478	\$18,168	\$6,499	\$0	\$8,456	\$129,387
Total Cost of Service	\$1,977,532	\$496,780	\$273,604	\$121,446	\$119,025	\$49,376	\$200,160	\$3,287,997
Allocation of General Cost		\$89,557	\$49,324	\$21,894	\$21,457	\$8,901	(\$200,160)	\$0
Allocation of Public Fire Protection Cost					\$59,101			\$0
Allocation of Peaking Cost to Meter			(\$22,605)	(\$10,034)	\$32,639			\$0
Total Adjusted Cost of Service	\$1,977,532	\$586,337	\$300,323	\$133,306	\$232,222	\$58,277	\$0	\$3,287,997
		Variable Cost			Fixed Cost			
		\$2,997,497			\$290,499			
		91%			9%			

Rate Study Goal: 9% of Revenue from Fixed Charges by 2021

Ventura County Waterworks District No.17
Bell Canyon Water Services
Fixed Charge and Commodity Charges % of Revenue

Fixed Revenue %	7.1%	8.2%
Fixed Revenue	\$221,020	\$285,391
Variable Revenue	\$2,894,179	\$2,952,165
Total Revenue	\$3,115,200	\$3,237,556

	Current Rate	Recommended Rate
Monthly Meter Charges		
Meter Size		
3/4"	\$16.42	\$19.05
1"	\$23.61	\$27.39
1 1/2"	\$41.61	\$48.27
2"	\$63.21	\$73.32
3"	\$131.60	\$152.66
4"	\$232.38	\$269.56
6"	\$473.53	\$549.29

Commodity Rates			
Residential			
Tier 1	0-10 hcf	\$4.37	\$4.68
Tier 2	>10-54 hcf	\$5.19	\$5.56
Tier 3	>54 hcf	\$6.50	\$6.96
Non-Residential		\$5.30	\$5.67
Temporary Construction		\$5.46	\$5.67

Ventura County Waterworks District No.17

Bell Canyon Water Services

Capital Improvement Program Schedule & Bond Issuance to Financed Reservoir Project

Inflated Acquisition Capital Projects	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Bell Canyon Pipeline From Hacienda Road	\$0	\$0	\$0	\$0	\$0	\$0	\$0