

**CITY OF SIMI VALLEY
MEMORANDUM**

November 16, 2015

TO: Board of Directors, Ventura County Waterworks District No. 8

FROM: Department of Public Works

SUBJECT: A PUBLIC HEARING TO APPROVE THE WATERWORKS FACILITIES ASSESSMENT AND COST OF SERVICE EVALUATION/ENGINEER'S REPORT, TALLY THE PROTESTS TO THE RATE INCREASE, MAKE FINDINGS PURSUANT TO PROPOSITION 218, AND, IF PERMITTED, CONSIDER ADOPTION OF A RESOLUTION ESTABLISHING WATER SERVICE RATES COMMENCING IN 2016

STAFF RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Waterworks Facilities Assessment and Cost of Service Evaluation/Engineer's Report and Addendum (on file with the City Clerk/District Secretary and included as Exhibit 1); and
2. At the close of the public hearing and following the consideration of public testimony, find that a notice in accordance with Proposition 218 (Article XIII D, Section 6 of the California Constitution) was sent to waterworks ratepayers describing the proposed Water Service Rates and the procedure for protesting the rate increase, and further find that a majority of the ratepayers did not protest the proposed rates; and
3. If the findings in Recommendation No. 2 are made, then adopt the attached resolution (page 11) establishing Water Service Rates commencing January 1, 2016.

DISTRICT MANAGER'S RECOMMENDATION

The District Manager recommends approval of the resolution adopting the recommended rates. The District Manager has placed a provision in the resolution to allow the Board of Directors to lower rates in the future during the 5 years without an additional Proposition 218 process if the City identified financially a method to allow the lowering of the rate during the 5 year period without negatively impacting the financial stability of the Waterworks Fund.

Also, in evaluating the move to a single tier, it was noticed that the single tier would put all single family residences on par with multi-family residences in the initial year.

BACKGROUND AND OVERVIEW

On September 21, 2015, the Board of Directors concluded that the Waterworks Fund has a structural deficit with ongoing expenses exceeding revenues due in part to revenues not keeping pace with the District's water purchase costs and the fixed costs of the District, as a result, an increase in revenue is necessary to restore stability in the fund. The Board deliberated on approaches to increase revenues to move toward a balanced budget between expenses and revenues. The Board authorized a public notification (Notice) to comply with Proposition 218 (Article XIII D, Section 6, of the California Constitution), announcing a proposal to increase Water Service Rates. The Board also set November 16, 2015, as the date of a public hearing. The proposed effective date for the initial increase is January 1, 2016, with subsequent increases for the next five years on January 1, 2017, 2018, 2019, and 2020. A pre-determined increase would be implemented, along with passing through any increases adopted by the Calleguas Municipal Water District (Calleguas) affecting the cost of water supplies that the District purchases.

The Notice was mailed to District customers on October 1, 2015, commencing a 45-day period to submit written protests. If less than a majority of District customers protest, then the Board may adopt new water service rates.

In addition, California Government Code Section 53756 provides the utility service agency may provide for adjustments to "pass-through" costs for supplies from other utility providers, such as Calleguas, for up to five years without further action. The Notice also included a brief description of the pass-through element of the proposed Water Service Rates.

FINDINGS AND ALTERNATIVES

Waterworks Facilities Assessment and Cost of Service Evaluation/Engineer's Report

The District has published an "Engineer's Report" that justifies the revenues to be garnered in comparison to the expenses to provide the services. Furthermore, the report shows a nexus between each customer classification's cost to serve them and the proposed rate. The *Waterworks Facilities Assessment and Cost of Service Evaluation* (Engineer's Report) was the basis for the original proposal to the Board presented at the June 15, 2015 Board Meeting (www.simivalley.org/WaterRateStudies). Subsequent to the preparation of the Engineer's Report, and due to modifications that have been made to the proposed rates and the resulting revenue, as well as changes to water services in general (such as the State mandate to conserve water), an Addendum has also been prepared. **As a first action, staff recommends the Board of Directors approve the Engineer's Report and Addendum.**

Tiered Water Rates for Single Family Residential Customers History

On September 21, 2015, the Board directed that the Proposition 218 Notice include a flat rate for single-family residential customers, a change from the current three-tier rate

system. The three-tier rate structure was adopted in late 2009 and was first effective on January 1, 2010. Prior to 2010, a two-tiered structure had been in place since 1985, only for single-family-residential customers. The 1985 two-tiered rate was based upon Calleguas' two-tiered rate and formulated the Commodity Charge to roughly reflect the Calleguas tiered rate. The three-tier rate adopted in 2009 further recognized the expense due to the "peaking" caused by the seasonal demand for increased landscape irrigation. The three-tier rate also provides increased incentive for reducing water use. Most purveyors served by Calleguas have adopted three-tier water rates, including public agencies, such as the Cities of Moorpark, Thousand Oaks, Camarillo, Oxnard, and the communities of Lake Sherwood, Bell Canyon, and Somis; and private water purveyors, including California-American Water Company and California Water Service Company. The Golden State Water Company, which serves approximately 37% of Simi Valley, recently implemented a four-tier rate system.

The Board is aware of the City of San Juan Capistrano case, where the City had implemented unsubstantiated tiered water rates, and the Court of Appeals ruled that they failed to comply with Proposition 218 and therefore must repeal those rates. The Court of Appeals found that San Juan Capistrano's Engineer's Report did not sufficiently establish a nexus between the cost of the service provided and the price charged to customers for the service at each tier. In contrast, the District's *Waterworks Facilities Assessment and Cost of Service Evaluation* (or Engineer's Report) addresses the cost difference of water service as water use increases.

During the September 21, 2015 Board meeting a potential link between tiered water rates and grant award points was mentioned. This is related to the State grant programs, such as the recent Proposition 84 "Water Bond" grant program. The State's process for determining a grant applicant's competitive score has an element that scores water pricing, and more points are scored if the applicant has a tiered rate system in effect. The competition is related to the applicant's ranking for grant awards. Upon further review, staff has determined that a tiered water rate will achieve a higher score for grant eligibility, but believes the District (and/or City) would remain eligible for grants.

Annual Calleguas "Pass-Through" Rate Increases

It has been noted in previous staff reports that the proposed 2016 rates include ("pass-through") Calleguas' rate increase effective January 1, 2016. The Calleguas Board of Directors typically adopts water rates annually, usually effective January 1. Since these future Calleguas rate increases (2017 through 2020) cannot be predicted, an automatic "pass-through" cost is proposed to be built into future Commodity Charges. As Calleguas implements its cost increases to the District, the effect will be passed-through to the District customers by raising Commodity Charges a proportional amount after a notice period of not less than 30 days. Within the recommended rate increase is a pass-through method for future increases to the Commodity Charge based upon Calleguas' cost increases.

Adoption of Water Service Rates

When considering the adoption of water service rates, the Board of Directors has a range of options, including adopting new rates as outlined in the recent Proposition 218 notice, maintaining the current rates by taking no action, or something in-between. The Resolution also allows the City Council, after adoption of any particular rate, to adopt a lesser rate upon 10 days' notice and a public hearing.

Water Service Rates per Proposition 218 Notice

The Board may increase Water Service Rates up to the amounts provided in the Notice and outlined in the following table. These increases include annual increases in the bimonthly services rates and adjustments to the bimonthly commodity (water use) rates. These proposed rates also include implementing a single tier or flat rate for all water used by all customers, and eliminating the current three-tier rates. Additionally, the proposed commodity rate for 2016 includes a Calleguas pass-through of sixteen cents per billing unit. As previously indicated, additional pass-through increases for future Calleguas increases will be added annually.

CHARGE CATEGORIES	CURRENT RATES	PROPOSED RATES ¹				
		2016	2017	2018	2019	2020
Service Charges						
Single Family	\$33.38	\$38.85	\$47.20	\$54.85	\$61.00	\$61.00
Multi-Family	\$21.96	\$24.45	\$30.85	\$37.00	\$42.70	\$48.85
3/4-inch	\$44.00	\$56.90	\$67.60	\$77.10	\$85.20	\$93.95
1-inch	\$87.99	\$92.90	\$108.40	\$121.65	\$132.40	\$144.00
1.5-inch	\$175.98	\$182.90	\$210.40	\$232.95	\$250.45	\$269.20
2-inch	\$307.97	\$290.90	\$332.75	\$366.55	\$392.10	\$419.40
3-inch	\$659.93	\$633.00	\$720.35	\$789.55	\$840.60	\$895.15
4-inch	\$1,319.86	\$1,137.10	\$1,291.55	\$1,413.00	\$1,501.60	\$1,596.20
6-inch	\$2,639.72	\$2,523.35	\$2,862.30	\$3,127.35	\$3,319.35	\$3,524.10
Commodity Charges per Billing Unit (B.U.) ^{2,3}						
Single Family	\$2.58 to \$4.02 ⁴	\$3.40	\$3.36	\$3.36	\$3.25	\$3.15
Multi-Family/Commercial	\$3.06	\$3.41	\$3.37	\$3.36	\$3.28	\$3.30
Landscape/Schools/etc.	\$3.06	\$3.59	\$3.56	\$3.56	\$3.48	\$3.50
Lift Charges (per Lift)	\$0.09	\$0.09	\$0.10	\$0.11	\$0.12	\$0.13
Well Water	\$1.54	No Change	No Change	No Change	No Change	No Change
Recycled Water	\$2.60	No Change	No Change	No Change	No Change	No Change

Notes:

1. Proposed increases to be effective January 1 of each year.
2. Calleguas has adopted a rate increase effective January 1, 2016 that causes a \$0.16 per Billing Unit (BU) increase. This increase is only shown in the 2016 Commodity Charges but will be included in years 2017 through 2020.
3. Commodity Charges for 2017 through 2020 do not include Calleguas future rate increases. Calleguas rate increases will be added to the future years reflecting their yet to be determined increases.
4. The current three-tier single family residential Commodity Charge (Tier 1 - \$2.58, Tier 2 - \$3.09, and Tier 3 - \$4.02) is proposed to become a flat rate starting on January 1, 2016, as shown in the table (\$3.40).

Maintaining Current Water Service Rates

Although this option is available, staff does not recommend the Board maintain the current rates. The current rates are insufficient to generate adequate revenues that would meet current expenses and stop the continuing erosion of reserve funds. The Waterworks Fund as a whole needs to increase revenue to remain self-sufficient.

Other Options for Water Service Rates

The Board also has the option to implement increases in Water Service Rates that are less than those proposed in the Proposition 218 Notice. The Board could, for example, adopt a three-year increase and not approve implementing the fourth or fifth year as has been proposed. This would still allow for an increase to revenue that is needed for the financial sustainability of the Waterworks Fund, while providing the customer the assurance that another review will be conducted before moving forward with additional increases.

Additional Considerations for Water Service Rates

It should be noted that in the District's history, the current year is a phenomenon. The drought the District and its customers face is extraordinary. The State has mandated water conservation, requiring District customers to reduce water consumption by 28%. The State's action is unprecedented. The community's response and commitment to doing-their-part in conserving the scarce remaining water supplies has met the conservation mandate in the initial months although fell short in the most recent month. The Addendum to the *Waterworks Facilities Assessment and Cost of Service Evaluation* (Engineer's Report) documents the impact caused to the Waterworks Fund due to drastically reduced commodity sales. Commodity sales have been reduced by 30% over the four months of June - September 2015. While this meets the State mandate, it has caused a further shortfall in revenue. Although the District is also spending less to purchase less water from Calleguas, there remain fixed expenses that must be covered by customer revenue. The fixed expenses do not follow the same fluctuating trend as water usage. Fixed expenses remain relatively constant regardless of how much water is sold. The result of the drastic reduction in water commodity sales is that the District still needs a revenue increase to cover fixed expenses.

There is significant uncertainty about the financial impact of the ongoing drought and reduced water use and revenue, especially in future years. This has made the financial projections about the Waterworks Fund difficult to predict. Staff's evaluation of the future is uncertain: with the current extraordinary conditions, forecasting future water use conditions is unreliable. Even with the coming El Niño, while almost as certain as any weather prediction can be, uncertainties remain regarding snow in the Sierra Mountains and the pattern of the precipitation that make the future of water supplies uncertain. There are other significant issues related to the Waterworks District's water supplies, such as the future of the State Water Project, local water availability, and other factors.

Typical Single Family Bill in 2016

The result of the proposed Water Service Rates increase, if adopted, on the single family customer in 2016 is shown in the following table:

TYPICAL BIMONTHLY CUSTOMER BILL IN 2016		
SINGLE-FAMILY RESIDENTIAL	BILL AMOUNT	
	Current Rates	Proposed Rates
For 30 BU Customer	\$110.78	\$140.85
For 50 BU Customer	\$169.52	\$208.85
For 80 BU Customer	\$280.82	\$310.85

Public Outreach and Proposition 218 Process Conducted and Ballot Results

Staff conducted public outreach to better inform the public regarding the proposal to increase Water Service Rates. Presentations were made to the Chamber of Commerce, Council on Aging, and the four Neighborhood Councils. Staff also held two public informational meetings on October 22nd (Thursday evening) and October 24th (Saturday afternoon); however, there was no attendance at either of the two meetings. In addition, the District Manager was on a local radio station on November 10th to provide an overview regarding the proposed rate increase to listeners. City staff also created a Public Service Announcement for the City's website. Information about the proposed rate increase was also posted on radio, the City's website, Simi Valley Television (SVTV), and the City's social media pages. A summary of staff's public outreach efforts is outlined on Attachment A, page 15.

The Notice to all of the 25,250 customers provided all the elements required by Proposition 218 regarding the proposed increase to Water Service Rates. The proposed effective date for the initial increase is January 1, 2016. The rate increase was described as a five-year process, whereby on January 1, 2017, 2018, 2019, and 2020, a pre-determined increase would be implemented, along with passing through any increases adopted by Calleguas. At the time this report was written, 2,026 (8.0%) written protests had been received. A Supplemental Staff Report will be provided at the public hearing to tally all written protests received prior to the Hearing.

The following alternatives are available to the Board of Directors:

1. Approve the Waterworks Facilities Assessment and Cost of Service Evaluation/Engineer's Report and Addendum (available on the City's webpage at www.simivalley.org/WaterRateStudies);
2. At the close of the public hearing and following the consideration of public testimony, find that a notice in accordance with Proposition 218 (Article XIII D, Section 6 of the California Constitution) was sent to waterworks ratepayers describing the proposed Water Service Rates and the procedure for protesting the rate increase, and further find that a majority of the ratepayers did not protest the proposed rates;

3. If the findings in Alternative No. 2 are made, then adopt the attached resolution (page 11) establishing new Water Service Rates commencing January 1, 2016;
4. If the findings in Alternative No. 2 are made, but other rate options consistent with the restraints of the findings need further discussion, give further direction to staff and schedule consideration of alternative Water Service Rates at a future Board meeting;
5. Not adopt the attached resolution establishing new water service rates;
6. Take no action but provide other direction to staff.

Staff recommends Alternative Nos. 1, 2, and 3.

SUGGESTED BOARD OF DIRECTORS MOTION

I move that the Board of Directors approve the Waterworks Facilities Assessment and Cost of Service Evaluation/Engineer's Report and Addendum; find that a notice in accordance with Proposition 218 (Article XIII D, Section 6 of the California Constitution) was sent to waterworks ratepayers describing the proposed Water Service Rates and the procedure for protesting the rate increase, and further find that a majority of the ratepayers did not protest the proposed rates; and adopt Resolution No. WWD-254 establishing new Water Service Rates commencing January 1, 2016.

SUMMARY

On September 21, 2015, the Board of Directors considered the status of the Waterworks Funds and deliberated on approaches to increase revenues to move toward a balanced budget between expenses and revenues. The Board authorized a Proposition 218 Notice to comply with the California Constitution, announcing a proposal to increase Water Service Rates. The Board set November 16, 2015, as the date of a public hearing to consider approving the increase in Water Service Rates. The proposed effective date for the initial increase is January 1, 2016, and the Notice described a five-year increase. Under the proposal, on January 1, 2017, 2018, 2019, and 2020, a pre-determined increase could be implemented, along with passing through any increases adopted by the Calleguas Municipal Water District (Calleguas) affecting the cost of water supplies that the District purchases. The Notice was mailed to District customers on October 1, commencing a 45-day period to submit written protests. If less than a majority of District customers protest, then the Board may adopt revised water service charges.

Staff recommends that the Board conduct the public hearing and following the close of the hearing and considering the testimony made, make findings pursuant to the public

process for increasing fees, and, if a majority of owners do not protest, consider increasing Water Service Rates commencing January 1, 2016.



Ronald K. Fuchiwaki, Director
Department of Public Works

Prepared by: Ron Fuchiwaki, Director of Public Works
Joe Deakin, Assistant Director of Public Works

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PUBLIC HEARING PROCEDURE

HEARING DATE: NOVEMBER 16, 2015

1. CHAIR: This is the time and place set for a public hearing to consider:
 - Approving the Waterworks Facilities Assessment and Cost of Service Evaluation/Engineer's Report and Addendum;
 - Making findings pursuant to Proposition 218; and
 - Adopting a resolution establishing Water Service Rates for Calendar Years 2016 through 2020

May I have a reading of the proposed resolution?
2. DISTRICT SECRETARY: (District Secretary reads proposed resolution title)
3. CHAIR: May we have an oral report on this matter by staff?
4. STAFF: (Report)
5. ANY BOARD MEMBER : (Questions of staff and staff response)
6. CHAIR: Is there anyone in the City Council Chamber wishing to be heard on this matter?
7. AUDIENCE: (Comments)
8. CHAIR: The hearing is closed. Are there any comments or questions from members of the Board of Directors?
9. ANY BOARD MEMBER : (Comments)
10. ANY BOARD MEMBER :
 - 1) Move to approve the Waterworks Facilities Assessment and Cost of Service Evaluation/Engineer's Report and Addendum
 - 2) Find that a majority of ratepayers did not protest the proposed rate increase
 - 3) Adopt, modify, or not adopt Resolution No. WWD-254 (requires a second and a vote; **requires reading of resolution**).

* Any action to refer the matter back to staff or to continue the matter requires a second and a vote.

11. ANY BOARD
MEMBER: Second
12. CHAIR: (Call for vote)
13. CHAIR: Proceed to the next item.

RESOLUTION NO. WWD-254

A RESOLUTION OF THE BOARD OF DIRECTORS OF
VENTURA COUNTY WATERWORKS DISTRICT NO. 8
ESTABLISHING WATER SERVICE RATES AND
REPEALING RESOLUTION NO. WWD-230

WHEREAS, the Board of Directors established water rates and charges by Resolution No. WWD-230, which became effective on January 1, 2010; and

WHEREAS, the water service rates to be modified are for the purposes of: (1) purchasing water from Calleguas Municipal Water District (Calleguas); (2) meeting District operating expenses; (3) funding repair and rehabilitation capital projects within the existing service area; (4) maintaining an adequate financial reserve; and (5) promoting water conservation; and

WHEREAS, the proposed water rates are based upon the findings and recommendations contained in the *Waterworks Facilities Assessment and Cost of Service Evaluation* (Engineer's Report) and Addendum; and

WHEREAS, pursuant to Section 21080 of the Public Resources Code, the setting of water rates are exempt from the preparation of an environmental impact report; and

WHEREAS, Government Code Section 53756 provides that the agency providing a utility service may adopt a schedule of fees with an automatic adjustment for inflation and/or pass-through costs for up to five years; and

WHEREAS, a notice in accordance with the California Constitution Art. XIID as it specifically relates to setting and increasing property related fees (sometimes referred to as Proposition 218) was sent to all District customers describing the proposed water service rates and the protest procedure; and

WHEREAS, a majority of the District customers did not protest the proposed water service rates.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF VENTURA COUNTY WATERWORKS DISTRICT NO. 8 DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Waterworks Facilities Assessment and Cost of Service Evaluation/Engineer's Report and Addendum, on file with the City Clerk/District Secretary, are hereby approved.

SECTION 2. Water service rates, as shown in Exhibit A, shall become effective January 1, 2016, and will be implemented to coordinate with regular billing schedules immediately following the effective date as soon as administratively possible.

The City Council at its discretion may at any time, after 10 days' notice and a public hearing, reduce these fees.

SECTION 3. Water service rates may be automatically adjusted to accommodate increases in wholesale water charges by Calleguas, after due notice to the customers of such an increase.

SECTION 4. Water rates and charges set by Resolution No. WWD-230 are repealed upon implementation of the new Schedule of Fees.

SECTION 5. The District Secretary shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the District Secretary.

PASSED and ADOPTED this 16th day of November 2015.

Attest:

Ky Spangler, District Secretary

Robert O. Huber, Chair of Ventura
County Waterworks District No. 8

Approved as to Form:

Approved as to Content:

Lonnie J. Eldridge, District Counsel

Eric J. Levitt, District Manager



Ronald K. Fuchiwaki, Director
Department of Public Works

WATER SERVICE RATES

Service Charges (Bi-monthly)		2016	2017	2018	2019	2020
A. Residential	Single Family	\$38.85	\$47.20	\$54.85	\$61.00	\$61.00
	Multi Family	\$24.45	\$30.85	\$37.00	\$42.70	\$48.85
B. Commercial	3/4-inch (meter)	\$56.90	\$67.60	\$77.10	\$85.20	\$93.95
	1-inch	\$92.90	\$108.40	\$121.65	\$132.40	\$144.00
	1.5-inch	\$182.90	\$210.40	\$232.95	\$250.45	\$269.20
	2-inch	\$290.90	\$332.75	\$366.55	\$392.10	\$419.40
	3-inch	\$633.00	\$720.35	\$789.55	\$840.60	\$895.15
	4-inch	\$1,137.10	\$1,291.55	\$1,413.00	\$1,501.60	\$1,596.20
	6-inch	\$2,523.35	\$2,862.30	\$3,127.35	\$3,319.35	\$3,524.10
C. Recycled Water	3/4-inch (meter)	\$37.40	\$37.40	\$37.40	\$37.40	\$37.40
	1-inch	\$74.80	\$74.80	\$74.80	\$74.80	\$74.80
	1.5-inch	\$149.60	\$149.60	\$149.60	\$149.60	\$149.60
	2-inch	\$261.79	\$261.79	\$261.79	\$261.79	\$261.79
	3-inch	\$560.99	\$560.99	\$560.99	\$560.99	\$560.99
	4-inch	\$1,121.97	\$1,121.97	\$1,121.97	\$1,121.97	\$1,121.97
	6-inch	\$2,243.94	\$2,243.94	\$2,243.94	\$2,243.94	\$2,243.94
D. Auto Fire Sprinkler	2-inch or less (meter)	\$25.18	\$25.18	\$25.18	\$25.18	\$25.18
	3-inch	\$35.90	\$35.90	\$35.90	\$35.90	\$35.90
	4-inch	\$48.35	\$48.35	\$48.35	\$48.35	\$48.35
	6-inch	\$72.34	\$72.34	\$72.34	\$72.34	\$72.34
	8-inch	\$96.23	\$96.23	\$96.23	\$96.23	\$96.23
	10-inch	\$120.25	\$120.25	\$120.25	\$120.25	\$120.25

Commodity Charges		2016	2017	2018	2019	2020	Per
A. Residential	Single Family	\$3.40	\$3.36	\$3.36	\$3.25	\$3.15	BU
B. Commercial/Multi-Family/Other		\$3.41	\$3.37	\$3.36	\$3.28	\$3.30	BU
C. Landscape/Schools/etc.		\$3.59	\$3.56	\$3.56	\$3.48	\$3.50	BU
D. Lift Charge		\$0.09	\$0.10	\$0.11	\$0.12	\$0.13	BU/Lift
E. Well Water		\$1.54	\$1.54	\$1.54	\$1.54	\$1.54	BU
F. Recycled Water		\$2.60	\$2.60	\$2.60	\$2.60	\$2.60	BU

Capital Improvement Charges		Cost	Per
A. Residential			
	Single family unit	\$3,714	dwelling unit
	Two family unit	\$7,428	dwelling unit
	Additional unit (after two)	\$2,603	dwelling unit
	Trailer space	\$2,603	unit
	Per acre residential	\$8,708	acre
B. Commercial, Industrial, Other			
	¾-inch (meter)	\$3,714	unit
	1-inch	\$7,428	unit
	1-1/2-inch	\$14,858	unit
	2-inch	\$26,000	unit
	3-inch	\$55,715	unit
	4-inch	\$111,430	unit
	6-inch	\$222,858	unit
	Per acre commercial, industrial and other	\$10,380	acre
C. Interconnections			
	6-inch or less	\$153.90	connection
	Greater than 8-inch	\$25.65	Diameter-inch
D. Frontage Fee		Case-by-case	

- Increases to become effective January 1 of each year.
- Calleguas has adopted a rate increase effective January 1, 2016, that causes a \$0.16 per Billing Unit (BU) increase. This increase is only shown in the 2016 Commodity Charges, but will be included in years 2017 through 2020.
- Commodity Charges for 2017 through 2020 do not include Calleguas future rate increases. Calleguas rate increase will be added to future years ("passed-through") to maintain Water Service Rates that are based upon then-current costs.

Public Outreach

Prop 218

Public Hearing November 16, 2015

October:

Prop 218 mailed to customers of Ventura County Waterworks District No. 8

10/9/15 – Press Release “Proposed Water Service Rates Increase Info:

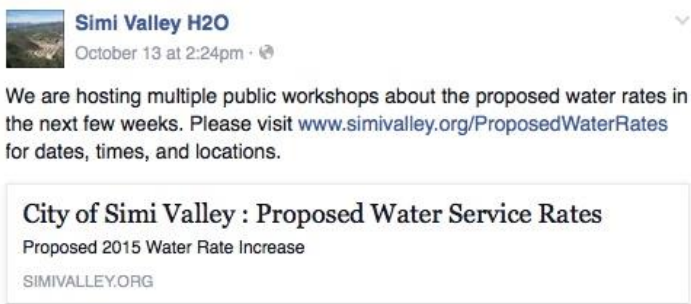
www.simivalley.org/ProposedWaterRates”

Presentations at Neighborhood Council Information Meetings

Presentations at Chamber of Commerce Development Committee Information Meetings

Public Information Meetings

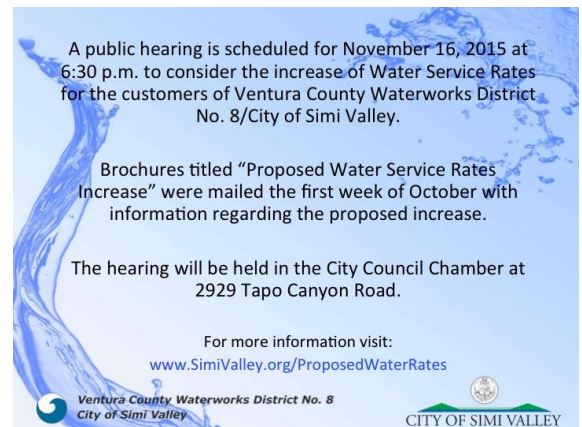
Social Media (Facebook and Twitter) promotion of Public Information Meetings



October/November:

10/19 – 11/3 - Channel 10 advertisement with information on Public Meeting dates

10/19 – 11/16 – Channel 10 advertisement with information about the Public Hearing date



November:

Public Service Announcement Video with information on the proposed rate increase

11/10/15 – City Manager on 99.1 The Ranch radio discussing why the rate increase is needed

Five radio advertisements with information about the Public Hearing date and why the rate increase is needed

Social Media (Facebook and Twitter) promotion of radio station appearance

Social Media (Facebook and Twitter) promotion of the Public Hearing date