

Re: PRR at the Utility Rate Review Committee meeting. Mon Feb 6

to: Jim Throop, Jesus Nava, Michelle Ascencion, Greg Nyhoff

Greg, et al:

The standard accounting formula to determine debt coverage is:

The **debt service coverage ratio** (DSCR), also known as "**debt coverage ratio**," (DCR) is the **ratio** of cash available for **debt** servicing to interest, principal and lease payments.

That is the reference Mr. Starr was making at the last rate review meetings. We should make sure to use standard formula even though it shows the city's financial position better than the presentation that was originally made. The formula that was used at the last Utility Rate Review Committee did not use to proper accounting formula to determine the amount of cash available to cover debt service payments. That should have excluded the non-cash expenditures for each year to reflect cash available, and if depreciation was not material that wouldn't be a problem, however, depreciation for WasteWater is large each year.

	12-13	13-14	14-15
Operating Revenue	\$ 30,998,260.00	\$ 31,335,380.00	\$ 32,074,140.00
Operating Expense	\$ 27,225,802.00	\$ 27,827,241.00	\$ 32,050,025.00
Net inc (loss)	<u>\$ 3,772,458.00</u>	<u>\$ 3,508,139.00</u>	<u>\$ 24,115.00</u>
investment income			
interest expense			
Not shown			
Depreciation non cash expense	\$ 8,462,344.00	\$ 8,420,952.00	\$ 8,502,020.00
Adjusted cash available after eliminating depreciation			
Operating Revenue	\$ 30,998,260.00	\$ 31,335,380.00	\$ 32,074,140.00
Operating Expense net of depreciation	\$ 18,763,458.00	\$ 19,406,289.00	\$ 23,548,005.00
Net inc (loss) available to cover debt service before interest earnings	<u>\$ 12,234,802.00</u>	<u>\$ 11,929,091.00</u>	<u>\$ 8,526,135.00</u>

On Mon, Feb 6, 2017 at 1:50 PM, Molina, Phillip <phillip.molina@oxnard.org> wrote:
Mr. Starr,

Last week the Assistant City Attorney instructed me that a "Public Records Request" need not be in writing. In fact he directed me to respond to any public records request that was provided verbally and I am to make sure the City Clerk receives copies for the city's official records.

I was watching the last Utility Rate Review Panel meeting and though the sound was poorly recorded, I heard you ask for information on the amount of usage and the amount charged for usage by type of users for waste water and water enterprises.

If I am correct, the Treasurer's Office has that information on a report that can be automatically generated by a push of a button, or put another way the report is preprogrammed into the HTE Sungard city computer software.

Attached you will find that report and a spreadsheet that condenses that information is shown immediately below.

I hope that this answers one of your requests for information.

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Respectfully,

Phillip S. Molina
Oxnard City Treasurer

BASED ON WATER SERVICE FROM JAN 01, 2016 THROUGH DECEMBER 30, 2016				
Type of service	charged	usage HCF	chrg/hcf	over avg <>under avg
Agriculture Water	\$ 511,834.72	360,900.00	\$ 1.4182	\$ (3.09)
Commercial	\$ 13,938,569.28	3,434,418.00	\$ 4.0585	\$ (0.45)
Oxnard bldg	\$ 1,363.62	297.00	\$ 4.5913	\$ 0.09
Oxnard irrigation	\$ 4,218.14	1,128.00	\$ 3.7395	\$ (0.77)
Indl high users	\$ 126,558.48	31,379.00	\$ 4.0332	\$ (0.47)
multi unit	\$ 5,771,160.95	1,505,189.00	\$ 3.8342	\$ (0.67)
residential	\$ 20,683,146.73	3,774,120.00	\$ 5.4803	\$ 0.97
recycled water	\$ 3,207.00	858.90	\$ 3.7338	\$ (0.77)
twelve months in 2016 Previous June 30 2015 CAFR	\$ 41,040,058.92	9,108,289.90	avg \$ 4.5058	

BASED ON WASTEWATER (SEWER) SERVICES Jan 01, 2016 thru Dec 30, 2016				
Type of service	charged	units HCF	chrg/unit	over avg <>under avg
Commercial	\$ 4,486,590.88	1,034,230.00	\$ 4.3381	\$ (0.60)
City Govt bldgs	\$ 803.73	253.38	\$ 3.1720	\$ (1.77)
Multi units	\$ 5,017,845.04	1,345,297.07	\$ 3.7299	\$ (1.21)
Residential	\$ 17,067,951.22	2,999,805.88	\$ 5.6897	\$ 0.75
	\$ 26,573,190.87	\$ 5,379,586.33	avg \$ 4.9396	

Respectfully,

Phillip S. Molina
Oxnard City Treasurer