



## **NOTICE OF PROPOSED WATER RATE INCREASE AND ALLOCATION ADJUSTMENTS Ventura County Waterworks District No. 1**

Ventura County Waterworks District No. 1 (District) provides water and sanitation services to the City of Moorpark (City) and the contiguous areas to the north and west of the City limits. The District provides local water from groundwater wells and imported water from the State Water Project, through Metropolitan Water District (Metropolitan) and Calleguas Municipal Water District (Calleguas). The District is responsible for providing an uninterrupted, reliable water supply meeting specific water quality standards to District customers.

This notice is to inform you that a hearing will be held on Tuesday, April 5, 2011, at 10:30 a.m. in the Board of Supervisors' Hearing Room in the Hall of Administration at the Ventura County Government Center, 800 South Victoria Avenue, Ventura, to consider a proposed 12% water commodity rate increase and adjustments to water allocations for District customers. If approved, the rate increase and allocation adjustments would take effect on the utility bills issued in May 2011. At the hearing, any person may be heard regarding the recommended rate increase.

### **Why is a rate increase needed?**

The District operates as an enterprise fund, which means it is supported solely through the rates paid by District customers. These rates provide the funding for efficient operations and maintenance of the water system, imported water purchases, and Southern California Edison (SCE) charges related to pumping local water.

Imported water costs to the District have increased 10% for calendar year 2011 (CY 11). In addition, SCE rates have increased 5%, and the projected operations and maintenance costs for CY 11 have also increased. The District's current Tier I rate is now less than the cost to purchase imported water, and will not provide sufficient funds for the operation and maintenance of the District in CY 11. Therefore, the District is recommending a water commodity rate increase and adjustments to the water allocations in order to provide the revenue needed to continue to operate the water system and provide a reliable water supply to District customers. A proposed rate increase, which was to be effective in January of this year and for which you received an earlier notice, was deferred due to the Board's request for additional analysis.

### **Why do imported water rates continue to increase so drastically?**

The short answer is that the amount of water allowed to pass through the Sacramento Delta from Northern to Southern California is limited, due to a federal judge's decision to protect the Delta smelt, an endangered fish. Consequently, no matter how much rain or snowpack there is in the northern Sierras, or how full the reservoirs are in Northern California, there is limited water supply available to Southern California through the State Water Project. To make matters worse, the imported water supply from the Colorado River has been greatly reduced due to the ongoing drought in the Colorado River Watershed. Therefore, Metropolitan, the imported water supplier to Southern California, has pursued other sources of water, which are more costly. In addition, Metropolitan continues to replace aging infrastructure, which also impacts imported water rates.

Calleguas, the District's direct imported water supplier, purchases imported water from Metropolitan. Calleguas is investing in projects to provide alternative sources of water supply to lessen its service area's dependence on imported water. However, these projects will also be expensive, and are some years away. On January 25, 2011, representatives from Calleguas and Metropolitan gave presentations to the Ventura County Board of Supervisors regarding the current water supply situation and planned projects to provide a reliable water supply. To view these presentations and hear discussions about the many challenges related to water supply and water rates, please go to <http://countyofventura.org> and click on the following links: Board of Supervisors – Agenda & Summary, Live Broadcast & Video Archives, Meeting Archives, Board Regular Meeting January 25, 2011, and Item #28.

**Does the District have plans to develop additional local water supply, and will that impact future rate increases?**

The District is pursuing the Moorpark Desalter Project (Project) to produce additional local water supply from currently unpotable (due to high levels of salts) groundwater. Developing additional local water supplies will make us less dependent on imported water and should help to minimize future rate increases. The Project, which is scheduled to be constructed by 2015, is dependent on the completion of a Calleguas project to construct a brine line to carry the filtered salts to the ocean. Planning studies for the Project are underway.

**What is the rate review process?**

The water rates are reviewed each year, after the District receives notice from Metropolitan and Calleguas of their projected rate increases for the next calendar year, to determine whether a rate increase is needed for the District. Before an increase is proposed and presented to the Ventura County Board of Supervisors, the rate analysis is reviewed by the District's Citizens' Advisory Committee (Advisory Committee) for input and recommendations to the Board. The Advisory Committee holds regularly scheduled meetings, which are open to the public, on the second Thursday of each month. The meetings are held at the District Office at 6767 Spring Road, Moorpark, at 3:30 p.m. At these meetings, information is provided regarding operational issues and efficiencies in the District and the status of District infrastructure. There are also frequent updates regarding the District's budget.

**What happens if the proposed rate increase is not approved?**

Should a rate increase not be adopted at this time, operations and maintenance of the water system would be severely impacted, and the District would not be able to purchase the imported water that will be needed in the current year. The District may be forced to impose water rationing, and higher rate increases would be needed in the future.

**THE CURRENT AND PROPOSED WATER COMMODITY RATES AND ALLOCATIONS ARE SHOWN ON THE ATTACHMENT TO THIS NOTICE**

If you oppose the proposed water rate increase and/or allocation adjustments, your protest must be submitted in writing to be considered, even if you are planning to attend the public hearing. Your written protest must be received by the Ventura County Clerk of the Board prior to the April 5, 2011 public hearing.

Protests must contain the following information: 1) a description of the property, such as the Assessor's Parcel Number; 2) your Ventura County Waterworks District No. 1 Account Number; 3) whether you are the property owner of record or a lease holder. *Please note that if you were not the owner of the property as of Ventura County's last tax roll, please include written confirmation that you presently own the property;* and 4) indication that the water rate increase is being protested. You may send your written protest to:

Ventura County Clerk of the Board  
800 South Victoria Avenue  
Ventura, CA 93009

Further information regarding the proposed water rate increase and allocation adjustments may be obtained by calling (805) 378-3000, Monday through Friday, between 8 a.m. and 5 p.m. You may find additional information on our website at <http://publicworks.countyofventura.org>. Click on the following links: Water and Sanitation Services, Utility Services Division, and Ventura County Waterworks District No. 1.