

Budget Committee
April 8, 2021
7:00 p.m.



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NOTICE OF SPECIAL MEETING OF BOARD OF DIRECTORS

April 8, 2021

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public that is within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2.

Please Note: If you have comments on a specific agenda item(s), please fill out a comment card and return it to the Board Secretary. The Board President will call on you for your comments at the appropriate time, either before or during the Board's consideration of that item.

If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 646-2114 (Govt. Code Section 94594.1 and 94594.2 (a))

In accordance with California Executive Order N-29-20, Section 3: A local legislative body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. A physical location accessible for the public to participate in the teleconference is not required.

Meeting Link: <https://global.gotomeeting.com/join/785749229>
United States (Toll Free): [1 877 309 2073](tel:18773092073)
Access Code: 785-749-229

The meeting will be called to order at 7:00 p.m.

1. Roll Call

2. Approval of Minutes – No minutes to approve.

3. Public Comments

The Board will receive comments from the public at this time on any item of interest to the public that is not on the agenda that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2. Matters raised by public comment requiring Board action will be referred to staff or placed on a subsequent agenda where appropriate.

When addressing the Board, please state your name and address and limit your comments to three (3) minutes.

Please Note: If you have comments on specific agenda items, please fill out a comment card and return it to the Board Secretary. The Board President will call on you for your comments at the appropriate time, either before or during the Board's consideration of that item.

4. Discussion of 2021-2022 Budget Preparations and Process. (Kentosh) - Attachment

Recommended Action: Discuss FY 2021-2022 Budget process and necessary preparations, provide direction to staff.

5. Meeting Adjournment

Meiners Oaks Water District

PROP 218 NOTICE OF PUBLIC HEARING

**Proposed Water Rate Increase and
New Water Allocation Program**

Summary

Despite significant rains this winter, Lake Casitas remains under 50% of capacity and we are still in a Stage 3 Drought. Since 2013, there have been periods when we have been forced to take all of our water from Casitas MWD. To prepare for the possibility of a continuing drought, MOWD plans to

- 1) Adopt a new water allocation program in conformance with Casitas MWD's *Water Allocation and Efficiency Program* (WEAP). MOWD's residential customers will receive new monthly water allocations on July____, 2019.
- 2) Adopt new water rates to maintain adequate revenues and to encourage more water conservation. We also propose annual increases over a 4-year period.

We will hold a public hearing to explain these steps to our customers.

New Customer Allocations

In 2016, MOWD implemented an allocation program based partly on historical water use. Those who exceed their allocations each month now pay \$1.00 for each HCF of water they use over their allocations (HCF = Hundred Cubic Feet = 748 gallons = one "unit" on your water bill). Overall, our customers have been doing a good job reducing their water use during the drought.

Meanwhile, Casitas MWD, our backup water supplier, adopted a *Water Efficiency and Allocation Program* (WEAP), which differs from MOWD's current program. To be more consistent with water conservation measures used throughout our area, MOWD is implementing a new Allocation Program, based on Casitas' WEAP. Like the WEAP, our program is based on irrigable area. Most commercial and agricultural allocations will not change. A draft of our new *Allocation Program* is posted on our web site. A summary of the plan is also attached.

Notice of Public Hearing on Water Rates and Allocations

Date: Tuesday, July ____, 2019
Time: 6:30 PM
Location: Meiners Oaks Elementary School Auditorium
400 South Lomita Avenue
Ojai, CA 93023

We have calculated new allocations for our residential customers using aerial infrared imaging flown in 2016. Our new allocations will allow for more water use in the summer months. Our online Allocation Calculator is available on our website. You can enter your Customer Number and see your monthly allocation amounts, which vary with drought stage. We will continue our Waiver Program for customers who may have unique circumstances.

Proposed New Water Rates

We propose to revise our water rates to incorporate the following:

- ◆ Increase financial reserves to fund long-overdue capital projects (See Table below).
- ◆ Implement two rate levels utilizing Facilities-Based Unit Pricing.
- ◆ Increase penalties for exceeding customers’ newly-assigned water allocations.

Our water rates are proposed to change on July ____, 2019 as follows:

- The Water Availability Charge will remain at \$35.91/month.
- Monthly Meter Capacity Charges will remain the same. (See the attached table.)
- The cost of the first 10 HCF of water you use each month (7 HCF for apartments or mobile homes) will remain at \$2.34 per HCF.
- The cost for water you use over 10 HCF a month (7 HCF for apartments or mobile homes) will increase from \$2.34 to \$4.68 per HCF.
- Rates for agriculture will increase from \$2.34/HCF to \$4.68/HCF.
- An Over-Allocation Penalty of [\$2.50 to \$5.00?] will be charged for each HCF of water you use over your allocation when MOWD’s wells are operating. The penalty will increase to \$5.00/Unit when we are receiving all of our water from Casitas MWD.
- The purchase of Casitas water will continue to be paid via a “Casitas Surcharge.”
- MOWD’s water rates will increase by 8% in 2020-21 and 4% in 2021-22 and 2022-23.

More information on our budget and rates is provided on our website meinersoakswater.com.

MOWD Financial Reserves Assignments

Reserves Category	Amount
Emergency operating reserves	\$600,000
Water treatment plant upgrade	\$750,000
Emergency backup generators	\$80,000
New deep aquifer well – first phase	\$100,000
ADD	
ADD	
Total Reserves Needed	\$1,700,000

Proposed Water Rates 2019 - 2022

1) Monthly Water Availability Charge (WAC)

Meter size	Current	Proposed			
	2018-19	2019-20	2020-21	2021-22	2022-23
All	\$35.91	\$35.91	\$38.78	\$40.33	\$41.95

2) Monthly Meter Capacity Charge (MCC)

Meter size	2018-19	2019-20	2020-21	2021-22	2022-23
5/8" & 3/4"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1"	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
1.5"	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00
2"	\$104.00	\$104.00	\$104.00	\$104.00	\$104.00
3"	\$256.00	\$256.00	\$256.00	\$256.00	\$256.00
4"	\$776.00	\$776.00	\$776.00	\$776.00	\$776.00
6"	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00

3) Rate per HCF for First 10 HCF (First 7 HCF for apartments etc.)

Meter size	2018-19	2019-20	2020-21	2021-22	2022-23
All	\$2.34	\$2.34	\$2.53	\$2.63	\$2.73

4) Rate per HCF for Over 10 HCF (Over 7 HCF for apartments etc.)

Meter size	2018-19	2019-20	2020-21	2021-22	2022-23
All	\$2.34	\$4.68	\$5.05	\$5.26	\$5.47

5) Over-Allocation Penalty

Meter size	2018-19	2019-20	2020-21	2021-22	2022-23
All	\$1.00/Unit	A [\$2.50-\$5.00]/HCF Over-Allocation Penalty is added for water use above a customer's total allocation, when MOWD's wells are operating. When taking water from Casitas MWD, the Over-Allocation Penalty will be set at Casitas MWD's Over-Allocation Penalty then in effect (Currently \$5.00/HCF).			

6) Casitas Surcharge

Meter size	2018-19	2019-20	2020-21	2021-22	2022-23
All	The cost of purchasing water from Casitas MWD is collected as a "Casitas Surcharge" added to a customer's bill in proportion to the amount of water used that month.				(NO CHANGE)

7) Other Fees and Charges

See our website for special rates and conditions.

Why MOWD's Costs are Going Up

MOWD used to have among the lowest water rates in Ventura County. Some of you may recall \$8 monthly water bills. Unfortunately, those days are likely gone forever. Here are some of the factors that are driving up our water rates:

- 1) Groundwater Sustainability Agency The State passed a law requiring the development of groundwater management plans by local agencies. The Upper Ventura River Groundwater Agency was established a few years ago and has started that process, funded partly by MOWD. The plan is due in 2022.
- 2) The City of Ventura is suing 100 pumpers in our area, including MOWD, to adjudicate groundwater in the Upper Ventura River Basin, where we have our wells. This is a very costly process, and the City has authorized \$2.8 million for their own attorney expenses. We don't know where how this process will play out.
- 3) Our filtration plant near Friend's Ranch was built in 1991(?), and is nearing the end of its useful life. A plant upgrade will cost around a million dollars.
- 4) If the drought continues, we will consider a new deep-aquifer well near the Ventura River. We will wait for the results of Casitas MWD's "Vertical-Bore" test well before making a financial commitment. This could be another million dollar project. If Lake Casitas were to go dry, we would have no other source of water if our wells go dry again, as they have several times since 2013.

ADD MORE

Uncertainties in these projects have compelled MOWD to increase its reserves in response.

Facilities-Based Unit Pricing

In previous years, MOWD's water rates were partly based on distributing operating costs among the gallons of water delivered. Though commonly used by water utilities, that method does not reflect the cost of delivering water to customers with different types of use. For example, those who use the least water often end up paying a higher net unit price for the water they use.

Therefore, to encourage water conservation during the drought, MOWD will implement *Facilities-Based Unit Pricing* for its customers, as described below.

Indoor uses of water primarily occur within the home or business, and include drinking, food preparation, dish washing, bathing, flushing toilets, laundry and similar activities. These water uses do not vary substantially throughout the year. It is more efficient, and less costly, for MOWD to deliver water at a constant rate throughout the year.

Irrigation, on the other hand, is the primary outdoor water use within MOWD, both for residences and agriculture. Irrigation requires more water in a few summer months than during the rest of the year. On a volume basis, it is more costly to construct and maintain facilities that are used at capacity only a few months of the year.

For example, the indoor water use for the 1286 homes (assuming 10 HCF per month each) and 580 secondary dwellings (assuming 7 HCF per month each) within MOWD can be supplied by a uniform flow of 290 gpm throughout the year. Supplying that same annual amount of water to agriculture or to landscaping would require a flow of 590 gpm during the peak month of August. More flow means more well capacity, larger pipelines, and even more daily-regulation tank storage. Overall, it is more costly to supply irrigation/agricultural water on peak than to supply indoor water uses that vary little throughout the year.

Our Allocation Program provides fixed and variable allocation amounts for each customer. Though there is no requirement that the fixed allocation must be used indoors, to set rates we are treating the fixed allocations as representative of typical indoor use by our customers. Water use exceeding 10 Units/month is treated as outdoor seasonal use. These levels match State of California guidelines.

Under our old rates, our lowest water users were using about 13% of the water but paying 23% of the cost. Facilities-Based Unit Pricing is fairer to those who use the least amount of water. It is important to understand that it is these low water users who allow the rest of us to enjoy our orchards and landscaping while staying within the District-wide allocation from Casitas MWD.

Summary of Proposed MOWD Allocation Program

MOWD's new Allocation Program, based partly on Casitas MWD's *Water Efficiency and Allocation Program* (WEAP), is summarized below:

1) Residential "baseline allocations" as follows:

A "fixed portion" of 10 units/mo per residence (7 units/mo for 2nd homes, mobile homes, apartments, etc.)

A "variable portion" based on irrigable area of the property:

There is a 2 acre limit on irrigation allocation for residences.

Each residential customer will receive an annual variable baseline allocation based on square footage (SF) of irrigable area up to 1.99 acres, calculated as follows:

First 5,000 SF	15 gallons per SF
Next 10,000 SF	10 gallons per SF
Next 71,684 SF	3 gallons per SF
Over 86,684 SF	No additional allocation

2) Most commercial and agricultural baseline allocations would not change.

Allocations would be based on historical use during 2010-2012.

Some Ag allocations would be reduced if they used more than 2.5 AF/acre/yr.

Commercial meters would be assigned 10 units/month as their "fixed portion."

Ag use would be considered to be "variable" use.

3) Reduced allocations during drought stages:

The indoor portion of the baseline allocation (10 units/month) would normally not be reduced, unless required by Casitas MWD, State regulations or an amended WEAP.

The variable portion would be reduced 30% in Stage 3, 40% in Stage 4, etc.

4) Seasonal variations of water use would be allowed:

Residences would be allowed higher water use in the summer using a given formula.

Commercial/agriculture would manage their own seasonal use each year.

Water use exceeding monthly or annual limits would be subject to an Over-Allocation Penalty.

5) We will continue our waiver program for those who can justify a change to their allocations.

MOWD reserves the right to assign baseline allocations to individual customers based on site visits and actual audits of their water needs, on a case by case basis.

For more information please see the draft *Allocation Program* posted on our website, www.meinersoakwater.com.

**To Protest – Return this page by mail with information filled in
(No reply or action needed if you don't wish to protest)**

If you are the owner of record of a parcel or parcels subject to the proposed rate increases, you may submit a protest against any or all of the proposed rate increases by filing a **written** protest with MOWD on or before the time set for the public hearing **????, 2017 at 6:30pm**. If written protests are filed by a majority of these parcel owners, the proposed rate adjustments will not be imposed.

A written protest must contain your printed (or typed) name, signature, mailing address, and a description of the parcel or parcels in which the party signing the protest has an interest. A street address and/or parcel number shall be considered sufficient description. If the parcel owner signing the protest is not shown on the last certified Ventura County Assessor's tax roll as the owner of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner of the parcel(s). Protests must be received no later than **????, 2019 (postmarks do not apply)** and be mailed to:

Meiners Oaks County Water District
202 W. El Roblar Drive, Meiners Oaks, CA 93023
Attn: Protest Ballot

2019 PROTEST BALLOT

Must be received no later than _____ – postmarks do not apply

I protest the proposed rates.

Name (printed)

Signature

Address of property located in MOWD

Parcel number of property

Comments (optional):