

REVIEW:

Based on a brief and far from in-depth review of the water rate study by Koebig and Koebig, dated July, 1970 for the City of Oxnard, we find the following deficiencies, omissions and inequities.

1. The report assumes an imported water standard of 220 ppm. This water standard is dependent on the peripheral canal being constructed around the San Francisco Bay. The canal is currently scheduled for 1977 and that completion date is dependent on the approval of Federal funds. The standard for water being transported through the delta will range from 250 through 440 ppm until the canal is operative.
2. If the recommended water rate is used, the rate increase goes into effect 1½ years ahead of the delivery of Feather River water. The City of Oxnard will not realize any improved standard regardless of the increase in water rates until Feather River water is available.
3. Due to the lack of uniformity in the recommended water rate increases, the rates are inequitable toward industry. There appears to be no justification in the report for the proposed unbalanced increases in the water rates. The large increase in costs are capital improvements to the system and should be considered a service cost rather than a commodity cost. As noted in Table 17, 0.13% of the water users receive 17.61 % of the water. The effect of this proposed increase is to place the capital improvements required for the entire system on a very small portion of the water users. These costs are normally included in the tax rate structure as water system costs as noted on page 20 of the report.

4. Past water rates have not generated funds for capital improvements. Charging industry for past rate deficiencies is clearly inequitable.
5. We could make other comments related to the community or other industries, but, as stated above, lack of in-depth review might make further comments premature.

SUGGESTIONS:

The water rate study include a section on water standard reliability due to the cost of obtaining a 500 ppm water without the peripheral canal. The water rate increase should be applied uniformly or a justification for non-uniformity be included in the report.

RECOMMENDATIONS:

Among other things, the City Council should instruct its staff to prepare a final report based on a reasonably attainable water standard with direction from the council regarding the source of funds for capital improvements. The water rate increases should be clearly justified in the report. The staff should be required to consult interested users in determining the proposed water rate structure.

The imported water rate of 15.2¢/HCF plus increment for administration should be the lowest rate as recommended by the water rate scheduling practices.

QUANTITY WATER RATES
PER HCF

Which is the
lowest

		<u>CURRENT</u>	<u>PROPOSED</u>	<u>INCREASE</u>	<u>%</u>	<u>Percent Total water consumed</u>
0 -	10 HCF	<i>37</i> <i>21</i> \$ 4.25 (1)	<i>630</i> \$ 7.40 (1)	\$ 3.15	74.1	<i>0.83</i>
10 -	200 HCF	<i>18</i> .07 .25	.34 <i>30</i>	.09	36.0	<i>53.90</i>
200 -	1000 HCF	<i>16</i> .07 .23	.30 <i>27</i>	.07	30.4	<i>12.87</i>
1000 -	6000 HCF	<i>12</i> .06 .18	.26 <i>24</i>	.08	44.4	<i>14.79</i>
Over	6000 HCF	<i>10</i> .01 .11	.22 <i>22</i>	.11	100.0	<i>17.61</i>

(1) Minimum bi-monthly billing

4.25 6.30

When is it a

11

5

Pro cost
Per net
Alt *MWD*
I II
Cost
1971
441.00 *532.00* *66.*
72 *497.00* *592.00* *70.*
73 *574.00* *673.50* *76.*
74 *656.00* *760.00* *82.*
75 *744.00* *852.00* *88.*

VWCD

Purch

17.28

17.28

11

11

Perat

7.

7

11

1

Wells

5

5.25

5.50

5.75

6.00