


Oceano Community Services District



2025 Water & Wastewater
Revenues Rate Studies


Key Reasons for Sewer/Water Rate Studies:

- **Financial Sustainability (emergency reserves, CIP, and rising labor/capital costs) – these two rate studies will solidify OCSD’s fiscal position**
 - **Regulatory Compliance (costs rising for Lopez and State Water, ground water costs not accounted for in last water rates)**
 - **Equitable, Defensible and Transparent Rate Setting (Prop 218)**
 - **Long-Term Planning and Infrastructure Investment (\$30-\$50m in needs)**
 - **Enhanced Decision- Making for Elected Officials**
 - **Public Trust and Community Support – needs are known and increases are minimized**
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Sewer Rates

Ordinance 2011-2

ESTABLISHED WASTEWATER SERVICE CHARGES

- ❑ Enacted 14 year ago
 - ❑ Last increased to a bi-monthly rate of \$19.49 in FY 2014-15. No changes to customers in 10 years but significant cost increases.
 - ❑ Sewer CIP Underway now to inform this study (lift station)
 - ❑ Existing rates insufficient to cover wastewater conveyance system costs for CIP, O/M, regulatory compliance and labor.
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2010-2025 Sewer Rates


- ▶ \$19.49 residential rate unchanged from 2015

Exist Bimonthly	9.25				
2/11 monthly increase	4.36				
7/11 monthly increase		0.12			
7/12 monthly increase			0.29		
7/13 monthly increase				0.05	
7/14 monthly increase					0.3
New Bimonthly	17.97	18.21	18.79	18.89	19.49

Water Rates

Ordinance 2020-01

ESTABLISHED WATER SERVICE CHARGES

- Enacted 5 year ago
 - Last rate study corrected structural deficit in Water Fund
 - Existing rates insufficient to cover upcoming CIP, Lopez, and State water increases.
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2020–2025 Water Rates

	13%	10%	10%	3%	3%
2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
▶ <u>Bi-Monthly Rates</u>					
▶ <u>Single Family Residential Base Charge</u>					
▶ \$53.56	\$60.52	\$66.58	\$73.23	\$75.43	\$77.69
▶ <u>Multi Family Residential Base Charge</u>					
▶ N/A	\$45.39	\$49.93	\$54.92	\$56.57	\$58.27
▶ <u>Non-Residential Base Charge</u>					
▶					
▶ 5/8th \$59.80	\$67.57	\$74.33	\$81.76	\$84.22	\$86.74
▶ 3/4 \$72.81	\$82.28	\$90.50	\$99.55	\$102.54	\$105.62

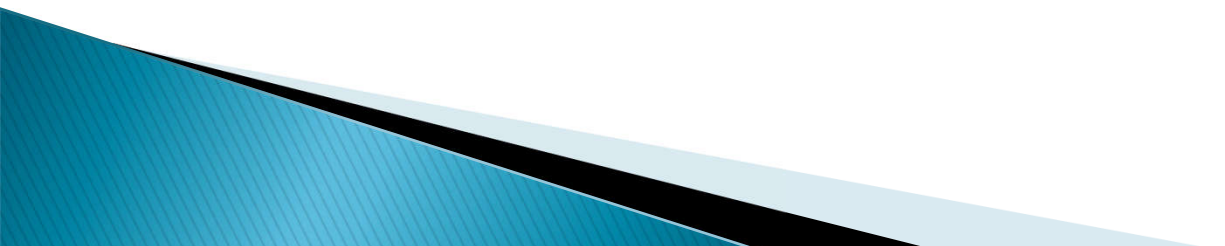
2020–2025 Water *Consumption*

▶ OCSD Total Water Use in **Acre Feet**

OCSD Averages

2011	2012	2013	2014	2015	2016	2017
852	838	888	807	703	672	718
2018	2019	2020	2021	2022	2023	2024
725	680	744	717	645	629	611


14 year	731
10 year	684
3 year	628



Water Rates

Benefit of HDR Consultant Services

- ❑ Low cost – Saves District legal costs in detailed review, existing analysis updated
 - ❑ \$15k of \$2.3m reserves = 0.006%. Water fund \$253k annual surplus in 2024.
 - ❑ Significant case law and changes in Prop 218 in the last 5 years

 - ❑ More complex rate study, Lopez litigation, State Water cost increases
 - ❑ Emergency reserves, rate stabilization & CIP not accounted 2020-25
 - ❑ Groundwater and Lopez “safe yields” may be changing
 - ❑ Independent, outside professional review can help determine best, most defensible (if challenged) five-year rate structure
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Wastewater Revenues & Expenses



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
WASTEWATER DEPARTMENT - FUND - 03**

ACCOUNT NO.	WASTEWATER FUND WASTEWATER DEPARTMENT - 03	ACTUAL FY 2022/23	ACTUAL FY 2023/24	FINAL BUDGET FY 2024/25
SOURCES OF FUNDS				
	Revenues	\$408,496	\$456,667	\$454,057
	Other Sources of Funds	\$0	\$0	\$0
	Total Sources of Funds	\$408,496	\$456,667	\$454,057
USES OF FUNDS				
	Salaries & Wages	\$63,076	\$56,404	\$96,500
	Benefits	\$34,508	\$43,367	\$62,026
	Personnel Services	\$97,584	\$99,771	\$158,526
	Services & Supplies	\$36,141	\$34,816	\$101,065
	Capital Outlay	\$0	\$0	\$0
	Debt Service	\$9,580	\$26,998	\$26,980
	Administrative Cost	\$331,428	\$319,690	\$330,461
	Total Expenditures	\$474,733	\$481,275	\$617,032
	OPERATING SURPLUS/(DEFICIT)	(\$66,237)	(\$24,607)	(\$162,975)

Water Revenues & Expenses



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
WATER FUND - 02**

ACCOUNT NO.	WATER FUND WATER DEPARTMENT - 02	ACTUAL FY 2022/23	ACTUAL FY 2023/24	FINAL BUDGET FY 2024/25
SOURCES OF FUNDS				
	Revenues	\$3,037,904	\$3,440,258	\$3,402,557
	Other Sources of Funds	\$782,199	\$1,477,509	\$0
	Total Sources of Funds	\$3,820,103	\$4,917,767	\$3,402,557
USES OF FUNDS				
	Salaries & Wages	\$198,182	\$279,927	\$235,000
	Benefits	\$88,669	\$112,003	\$161,370
	Personnel Services	\$286,852	\$391,930	\$396,370
	Services & Supplies	\$1,835,094	\$1,940,131	\$1,996,330
	Capital Outlay	\$898,261	\$1,730,471	\$150,000
	Debt Service	\$19,162	\$54,005	\$54,000
	Administrative Cost	\$497,142	\$561,141	\$660,921
	Total Expenditures	\$3,536,511	\$4,677,678	\$3,257,621
	OPERATING SURPLUS/(DEFICIT)	\$283,592	\$240,089	\$144,936