



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730

FAX (805) 481-6836

PROPOSED

WATER & WASTEWATER

RATE INCREASE

PUBLIC HEARING

DECEMBER 8TH, 2010 AT 6:30 PM

OCSD BOARD ROOM

ANY QUESTIONS CALL THE

GENERAL MANAGER

AT

805-481-6730

Respectfully submitted,


Raffaele F. Montemurro



Number of Water Customers	2010-11	2011-12	2012-13	2013-14	2014-15
Residential	1985	1985	1989	1993	1997
Commercial	81	81	81	81	81
Industrial	7	7	7	7	7
Public Agency	14	14	14	14	14
Irrigation Service	30	30	30	30	30
Other	4	4	4	4	4
Total Customers	2121	2121	2125	2129	2133

Water Sales Volume (Ccf)					
Residential	327644	327644	327724	327804	327884
Commercial	24745	24745	24745	24745	24745
Industrial	8393	8393	8393	8393	8393
Public Agency	12803	12803	12803	12803	12803
Irrigation Service	14490	14490	14490	14490	14490
Other	33454	33454	33454	33454	33454
Total Sales volume	421529	421529	421609	421689	421769

Water Sales Revenue					
Residential	1245400	1245400	1245713	1246026	1246339
Commercial	115200	115200	115200	115200	115200
Industrial	33600	33600	33600	33600	33600
Public Agency	60800	60800	60800	60800	60800
Irrigation Service	62500	62500	62500	62500	62500
Other	158000	158000	158000	158000	158000
Total Water Sales Revenue	1675500	1675500	1675813	1676126	1676439

Page # 1 of 8

Capital Improvement Program	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Safety Equipment Compressor	8,400					8,400
Water Master Plan	12,500					12,500
Water Buildout and Rate Study	15,000					15,000
SDW Shovel Ready Projects	5,000					5,000
Water Meters	40,000	20,000				60,000
14th Street Water Main			150,000			150,000
Beach Street Alley			350,000			350,000
Pier Avenue			300,000			300,000
Pacific Avenue Alley			250,000			250,000
Norswing Drive			150,000			150,000
Total Capital Improvements	80,900	20,000	1,200,000	0	0	1,300,900
Capital Improvements Inflated 3.5%	80,900	20700	1285470	0	0	1346432

Propose Funding by Out of District Sales and CDBG Funds

page # 2 of 8

OCSD Expenses	2010-11	2011-12	2012-13	2013-14	2014-15
WATER	Budget	Projected	Projected	Projected	Projected
Wages & Salaries (3 Water Dept)	108,000	111240	114577.2	118014.5	121555
Benefits (3% inflation)	62,530	64405.9	66338.08	68328.22	70378.07
Maintenance Water & Shared Structures	7,900	8137	8381.11	8632.543	8891.52
Maintenance Radios, Equipment, Vehicles	3,300	3399	3500.97	3605.999	3714.179
Fuel	6,500	6695	6895.85	7102.726	7315.807
Water Meters (\$90K full replacement X 5%)	4,500	4635	4774.05	4917.272	5064.79
Professional Services / Engineering	61,445	63288.35	65187	67142.61	69156.89
Lopez Zone 3	440,874	454100.22	467723.2	481754.9	496207.6
Drought Buffer Water	0	7500	7725	7956.75	8195.453
Utilities	28,000	28840	29705.2	30596.36	31514.25
Allocation of Administrative Expense	217,967	224506.01	231241.2	238178.4	245323.8
Administrative Augmentation (1/2)	12,500	12875	13261.25	13659.09	14068.86
Insurance	6,800	7004	7214.12	7430.544	7653.46
Other	72,832	75016.96	77267.47	79585.49	81973.06
Total Operation & Maintenance Expense	1,033,148	1071642.4	1103792	1136905	1171013
Minor Capital	100	5,000	5150	5304.5	5463.635
Total O&M and Minor Capital	1,033,248	1,076,642	1,108,942	1,142,210	1,176,476

SEWER	Budget	Projected	Projected	Projected	Projected
Wages & Salaries (1 Water Dept)	28,040	28881.2	29747.64	30640.07	31559.27
Benefits (3% inflation)	10,690	11010.7	11341.02	11681.25	12031.69
Maintenance Sewer & Shared Structures	1,000	1030	1060.9	1092.727	1125.509
Maintenance Radios, Equipment, Vehicles	1,100	1133	1166.99	1202	1238.06
Fuel	3,500	3605	3713.15	3824.545	3939.281
Professional Services	25,500	15,000	15450	15913.5	16390.91
Contract Engineering	10,000	1,000	1030	1060.9	1092.727
Utilities (Lift Station)	900	927	954.81	983.4543	1012.958
Allocation of Administrative Expense	194,405	200237.15	206244.3	212431.6	218804.5
Administrative Augmentation (1/2)	12,500	12875	13261.25	13659.09	14068.86
Insurance	11,075	11407.25	11749.47	12101.95	12465.01
Other	10,505	10820.15	11144.75	11479.1	11823.47
Total Operation & Maintenance Expense	309,215	297,926	306,864	316,070	325,552
Minor Capital	0	3,000	3090	3182.7	3278.181
Total O&M and Minor Capital	309,215	300,926	309,954	319,253	328,830

Water Revenue Requirements	2010-11	2011-12	2012-13	2013-14	2014-15
O&M and minor capital	1033248	1076642	1122203	1155869	1190545
1979 Revenue Bonds	16800	16300	20600	18400	18400
CASDW Loan	62600	62600	62600	0	0
State Water Project Payments	735000	735000	735000	735000	735000
Capital Reserve (20% O&M at 5 years)	41329.92	43065.68	44888.12	46234.76	47621.8
Repay Non-Water Restricted Reserves	12500	25000	25000	25000	25000
Total	1901478	1958608	2010291	1980504	2016567
Water Sales Revenue, Existing Rates	1675500	1675500	1675813	1676126	1676439
Additional Requirement	225977.9	283107.7	334478.1	304377.8	340127.8
Divide by 2730 EDU's	82.77579	103.7024	122.5195	111.4937	124.5889
Divide by 12 months	6.897983	8.641871	10.20995	9.29114	10.38241
Exist Bimonthly	78.24				
2/11 monthly increase	6.9				
1/12 monthly increase		1.74			
1/13 monthly increase			1.11	0	
7/14 monthly increase					0.63
New Bimonthly	92.04	95.52	97.74	97.74	99
Commensurate Increases in Commercial Meter Charges					

OCSD Water Rates (Adjusted)

Residential (20 Units) Increase/month Rate	Exist Bi-Month	2010-11	2011-12	2012-13	2013-14	2014-15
	0	6.9	1.74	1.11	0	0.63
	78.24	92.04	95.52	97.74	97.74	99

Non-Residential Fixed

Required Meter Capacity	SFR Equ (Mult)	Exist Bi-Month	2010-11	2011-12	2012-13	2013-14	2014-15
10 gpm (5/8"Meter)	1 (1**)	29.15	42.95	46.43	48.65	48.65	49.91
15 gpm (3/4"Meter)	2 (1.25**)	36.55	53.8	58.15	60.925	60.925	62.5
25 gpm (1"Meter)	4 (2.00**)	58.4	86	92.96	97.4	97.4	99.92
50 gpm (1 1/2"Meter)	7 (3.75**)	109.2	160.95	174	182.325	182.325	187.05
80 gpm (2"Meter)	11 (5.91**)	172.3	253.858	274.4248	287.545	287.545	294.992
160 gpm (3"Meter)	23 (9.5**)	276.95	408.05	441.11	462.2	462.2	474.17
250 gpm (4"Meter)	36 (16.25**)	473.8	698.05	754.6	790.675	790.675	811.15
500 gpm (6"Meter)	71 (25.43**)	741.3	1092.234	1180.73	1237.185	1237.19	1269.23

**Multiple of 1 SFR Fixed

Outside District Charge	7.1	7.668	7.89804	8.134981	8.37903	8.6304
-------------------------	-----	-------	---------	----------	---------	--------

Consumption Charge Residential Customers	Existing \$/Ccf	2010-11 \$/Ccf *	2011-12 \$/Ccf *	2012-13 \$/Ccf *	2013-14 \$/Ccf *	2014-15 \$/Ccf *
(No Change) First 6 Ccf *	0	0	0	0	0	0
(No Change) Next 19 Ccf *	2.25	2.25	2.25	2.25	2.25	2.25
(No Change) Over 25 Ccf *	2.95	2.95	2.95	2.95	2.95	2.95

Non-Residential

Adjusted SFR Equivalent	Multiple (**)	Ccf at 0.00/Ccf	2.25/Ccf	2.95/Ccf
10 gpm (5/8"Meter)	1 (1**)	First 6	Next 19	Over 25
15 gpm (3/4"Meter)	2 (1.25**)	7.5	23.75	>31.35
25 gpm (1"Meter)	4 (2.00**)	12	38	>50
50 gpm (1 1/2"Meter)	7 (3.75**)	22.5	71.25	>93.65
80 gpm (2"Meter)	11 (5.91**)	35.46	112.29	>147.77
160 gpm (3"Meter)	23 (9.5**)	57	180.5	>237.52
250 gpm (4"Meter)	36 (16.25**)	97.5	308.75	>406.35
500 gpm (6"Meter)	71 (25.43**)	152.58	483.17	>635.76

**Multiple of 1 SFR Fixed

Lopez Charge All Cust (8%/yr)	Exist \$/Ccf	\$/Ccf	\$/Ccf	\$/Ccf	\$/Ccf	\$/Ccf
	1.14	1.14	1.2312	1.329696	1.43607	1.55096

page # 5 of 8

Corrected

Sewer Revenue Requirements	2010-11	2011-12	2012-13	2013-14	2014-15
O&M and minor capital	309,215	300,926	309,954	319,253	328,830
Clean & Inspect (\$100,000 biennial)	50,000	50,000	50,000	50,000	50,000
Capital Reserve (20% O&M at 5 years)	12368.6	12037.04	12398.16	12770.12	13153.2
Repay Non-Sewer Restricted Reserves	12500	25000	25000	25000	25000
Total	384083.6	387963	397352.2	407023.1	416983.2

Sewer Revenue, Existing Flat Rate	145965	145965	145965	145965	145965
Sewer Revenue, Exist Capacity Rate (Est)	10,000	10,000	10,000	10,000	10,000
Lease: Sheriff's Facility	73,112	73,112	73,112	73,112	73,112
Connection Fees	12,000	12,000	12,000	20,000	20,000
Subtotal	241,077	241,077	241,077	249,077	249,077
Additional Requirement	143,007	146,886	156,275	157,946	167,906

Divide by 2630 EDU's	52.38337	53.80441	57.24365	57.85572	61.5041
Divide by 12 months	4.365281	4.483701	4.770304	4.82131	5.125342

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
----------------------	--------------	--------------	--------------	--------------	--------------

Commensurate Increases in Commercial Capacity Charges

Page # 6 of 8

OCSD Sewer Rates (Adjusted)

Residential (20 Units)	Exist Bi-Month	2010-11	2011-12	2012-13	2013-14	2014-15
Increase/month	N/A	4.36	0.12	0.29	0.05	0.3
Bimonthly Rate	9.25	17.97	18.21	18.79	18.89	19.49

Non-Residential

Required Meter Capacity	SFR Equ (Mult)	Exist Bi-Month	2010-11	2011-12	2012-13	2013-14	2014-15
10 gpm (5/8"Meter)	1 (1**)	9.25	17.97	18.21	18.79	18.89	19.49
15 gpm (3/4"Meter)	2 (1.25**)	9.25	20.15	20.45	21.175	21.3	22.05
25 gpm (1"Meter)	4 (2.00**)	9.25	26.69	27.17	28.33	28.53	29.73
50 gpm (1 1/2"Meter)	7 (3.75**)	9.25	41.95	42.85	45.025	45.4	47.65
80 gpm (2"Meter)	11 (5.91**)	9.25	60.7852	62.2036	65.6314	66.2224	69.7684
160 gpm (3"Meter)	23 (9.5**)	9.25	92.09	94.37	99.88	100.83	106.53
250 gpm (4"Meter)	36 (16.25**)	9.25	150.95	154.85	164.275	165.9	175.65
500 gpm (6"Meter)	71 (25.43**)	9.25	230.9996	237.1028	251.8522	254.395	269.653

**Multiple of 1 SFR Fixed

Plus Consumpt Incl.Cons. Incl.Cons. Incl.Cons. Incl.Cons. Incl.Cons.

OR

ALTERNATIVE

Bimonthly	9.25	17.97	18.21	18.79	18.89	19.49
-----------	------	-------	-------	-------	-------	-------

PLUS

Consumption Charge Residential Customers (No Change)	All Residential	Existing \$/Ccf	2010-11 \$/Ccf *	2011-12 \$/Ccf *	2012-13 \$/Ccf *	2013-14 \$/Ccf *	2014-15 \$/Ccf *
		0	0	0	0	0	0

Non-Residential Adjusted SFR Equivalent	Multiple (**)	Existing Ccf at 0.00/Ccf	Existing 0.75/Ccf	Proposed 0.00/Ccf	Proposed 1.55/Ccf
10 gpm (5/8"Meter)	1 (1**)	First 10	Over 10	First 10	Over 10
15 gpm (3/4"Meter)	2 (1.25**)	First 10	Over 10	First 10	Over 10
25 gpm (1"Meter)	4 (2.00**)	First 10	Over 10	First 10	Over 10
50 gpm (1 1/2"Meter)	7 (3.75**)	First 10	Over 10	First 10	Over 10
80 gpm (2"Meter)	11 (5.91**)	First 10	Over 10	First 10	Over 10
160 gpm (3"Meter)	23 (9.5**)	First 10	Over 10	First 10	Over 10
250 gpm (4"Meter)	36 (16.25**)	First 10	Over 10	First 10	Over 10
500 gpm (6"Meter)	71 (25.43**)	First 10	Over 10	First 10	Over 10

**Multiple of 1 SFR Fixed

page # 7 of 8

Typical Residential Water Rate Calculation

5 Units	Fixed	Consumption	Lopez	Total
Current	23.94 +	$5 \times 0 = 0$	5×1.14	29.64
Proposed	37.74 +	$5 \times 0 = 0$	5×1.14	43.44

10 Units	Fixed	Consumption	Lopez	Total
Current	23.94 +	$(6 \times 0) + (4 \times 2.25)$	10×1.14	44.34
Proposed	37.74 +	$(6 \times 0) + (4 \times 2.25)$	10×1.14	58.14

15 Units	Fixed	Consumption	Lopez	Total
Current	23.94 +	$(6 \times 0) + (9 \times 2.25)$	15×1.14	61.29
Proposed	37.74 +	$(6 \times 0) + (9 \times 2.25)$	15×1.14	75.09

20 Units	Fixed	Consumption	Lopez	Total
Current	23.94 +	$(6 \times 0) + (14 \times 2.25)$	20×1.14	78.24
Proposed	37.74 +	$(6 \times 0) + (14 \times 2.25)$	20×1.14	92.04

25 Units	Fixed	Consumption	Lopez	Total
Current	23.94 +	$(6 \times 0) + (19 \times 2.25)$	25×1.14	95.19
Proposed	37.74 +	$(6 \times 0) + (19 \times 2.25)$	25×1.14	108.99

30 Units	Fixed	Consumption	Lopez	Total
Current	23.94 +	$(6 \times 0) + (19 \times 2.25) + (5 \times 2.95)$	30×1.14	115.64
Proposed	37.74 +	$(6 \times 0) + (19 \times 2.25) + (5 \times 2.95)$	30×1.14	129.44

35 Units	Fixed	Consumption	Lopez	Total
Current	23.94 +	$(6 \times 0) + (19 \times 2.25) + (10 \times 2.95)$	35×1.14	136.09
Proposed	37.74 +	$(6 \times 0) + (19 \times 2.25) + (10 \times 2.95)$	35×1.14	149.89

Typical Residential Sewer Rate Calculation

Current	9.25 (All customers)
Proposed	17.97 (All customers)

page # 8 of 8

Corrected