



Meeting Date: 1/26/2010

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Anthony Emmert, Water Resources Manager Agenda Item No. I-6

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other (Specify) \_\_\_\_\_

**DATE:** January 15, 2010

**TO:** City Council

**FROM:** Mark S. Norris, Assistant Public Works Director  
Public Works Department, Utilities Services Branch [Signature]

**SUBJECT:** Special Budget Appropriations for 2008 United Water Conservation District  
Pass-Through Water Rate Adjustments and Payment of FY 2008-09  
Groundwater Production Charges

**RECOMMENDATION**

That City Council approve the appropriation of \$812,700 to the Water Operating Fund in FY 2009-10 due to the United Water Conservation District (UWCD) Pass-Through Water Rate Adjustments for FY 2008-09.

**DISCUSSION**

UWCD is the wholesale water district providing regional groundwater to the City. UWCD occasionally raises its rates on July 1<sup>st</sup>, in coordination with their annual budget process. July 1, 2008, UWCD increased its rates. City Code Section 33-42, "Water Rates," allows the City to administratively pass-through these water purchase costs to its water customers. That July, the City adjusted the rates for its water customers in an amount sufficient to cover the increased expenditures.

The FY 2009-10 budget recognized revenue increases due to prior year pass through adjustments, but did not include the full cost of water purchases.

The UWCD rate changes included a 41% increase to UWCD's General Fund Extraction charge and a 20% increase to UWCD's Freeman Fund Groundwater Extraction Facilities charge. Also, UWCD increased the Municipal & Industrial Supplemental Water Program charges by \$4.00 per acre foot. As per the provisions of the City Code, staff analyzed the UWCD rate increases using the City's utility rate model, and subsequently initiated a 6% pass-through rate increase to its water utility customers. Additional water costs of \$812,700 were not included in the current year appropriation.

Special Budget Appropriations for 2008 United Water Conservation District Pass-Through Water Rate  
Adjustments and Payment of FY 2008-09 Groundwater Production Charges

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**FINANCIAL IMPACT**

The attached special budget appropriation in Fund 601 Water Operating budget in the amount of \$812,700 will bring budgeted appropriations in line with UWCD rate increases.

AAE:MLJ;joh

Attachment #1 – Special Budget Appropriation

# CITY OF OXNARD

## REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

January 26, 2010

Request is hereby made for an appropriation of total . . . . . \$ (812,700)

Reason for appropriation: To account for increased expenditures resulting from the 2008 United Water Conservation District Pass-Through water rate adjustments

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Water (601)	Water Acquisition - UWCD 601-6010-843-8141	812,700
	Transfers to Capital Reserve	(812,700)

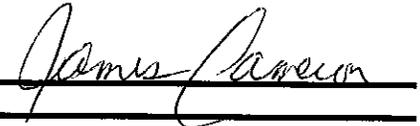
Net Estimated Change to Water Operating Fund Balance -0-



\_\_\_\_\_  
Manager

REQUIRES CITY COUNCIL APPROVAL

CHIEF FINANCIAL OFFICER



Disposition \_\_\_\_\_

Approved \_\_\_\_\_

Rejected \_\_\_\_\_

Transfer by Journal Voucher \_\_\_\_\_

\_\_\_\_\_  
City Manager