

VENTURA REGIONAL SANITATION DISTRICT

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March 9, 2011

Board of Directors
Ventura Regional Sanitation District
Ventura, California

WATER & WASTEWATER DIVISION BILLABLE RATES

SUMMARY

The Ventura Regional Sanitation District (District) receives zero property taxes and provides all of its services on an enterprise basis. The principal enterprises within VRSD include solid waste disposal (Toland Road landfill), biosolids management and electrical generation (biosolids and microturbine facility), and the provision of water and wastewater related services. Cost recovery for each of the business segments is dependant on the associated rates for each particular enterprise.

At its February 17, 2011 meeting the VRSD Board approved a 3.5% increase to the Biosolids Fee effective July 1, 2011. At the same meeting the Board received an analysis of possible rate modifications for the Toland Road landfill. Staff is involved in ongoing discussions with its primary customers regarding landfill tonnage delivery and possible effect to proposed rates.

The third major cost recovery component utilized by the District is generation of revenue through contract services and billable hourly rates. Staff is recommending adoption of the "Proposed Hourly Rates" schedule (Attachment I) for District reimbursable contract services for fiscal year 2011-2012. The proposed billable hourly rates have been developed with the primary goal of recovering District costs associated with the provision of water and wastewater related services.

BACKGROUND

The Ventura Regional Sanitation District was formed on July 28, 1970 with one of its purposes being to achieve economy through the consolidation of wastewater operations throughout the County. While the consolidation of *facilities* never occurred, the concept of economy through sharing of personnel, equipment and facilities remained valid and the District shifted its focus to reimbursable operations & maintenance contracts with cities and sanitation districts.

This fully-reimbursable contract operations program continues today as the District's primary involvement in the wastewater field, with services provided to approximately 25 customers (a complete customer listing is provided in the FY11 budget document, page 4-2). Table I summarizes the recent revenue and expenditure history for the Division.

Table I – Water and Wastewater Revenue and Expense Summary

	Actual FY 2008	Actual FY 2009	Actual FY 2010	Estimated FY 2011
Operating Revenues	\$ 5,790,329	\$ 5,440,623	\$ 5,068,414	\$ 4,047,322
Operating Expenses	(5,257,114)	(4,684,695)	(4,313,672)	(3,655,617)
Depreciation and amortization	(105,015)	(97,735)	(97,575)	(158,115)
Total non-operating revenues(expense), net	<u>(751,910)</u>	<u>(1,031,480)</u>	<u>(1,312,489)</u>	<u>(1,048,190)</u>
Change in net assets before capital expenditures	<u>\$ (323,710)</u>	<u>\$ (373,287)</u>	<u>\$ (655,322)</u>	<u>\$ (814,599)</u>

It is clear from Table I that the current billable rate structure is not providing adequate cost recovery for services related to the Division. The District is making a number of efforts to expand the level of cost recovery thereby minimizing the needed hourly billable rate increases.

Billable rate mitigation efforts include:

- The utilization of extra help and temporary labor to fill vacant allocations thereby maintaining revenue generation during vacancies and absences;
- Modification of internal procedures (for FY12) to remove the disincentive for Water and Wastewater Division employees to work on internal (Solid Waste / Biosolids) programs.
- The re-allocation of Central Administration costs to include the Biosolids/Microturbine facility as part of the overhead cost recovery model.

The positive impacts of these efforts are included in the model that was used to develop the proposed FY12 billable rates.

FISCAL IMPACT

At status quo activity levels the existing hourly billable rates do not provide funding to financially support those activities. Table I summarizes the significant draw on District reserves that will continue without modification to the hourly billable rates. The implementation of the proposed billable rates (Attachment I) as developed for FY12 will help reduce the existing gap between revenue and expenditures.

RECOMMENDATION

Adopt the proposed hourly billable rate schedule (Attachment I) for Ventura Regional Sanitation District for fiscal year 2011-2012.

APPROVED FOR MARCH 17, 2011 AGENDA


Mark Lawler – General Manager

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ATTACHMENT I

**VENTURA REGIONAL SANITATION DISTRICT
PROPOSED HOURLY RATES
JULY 1, 2011 through JUNE 30, 2012**

Div.	Pos.	Title	FY 2011		FY 2012	
			Hourly	OT	Hourly	OT
CA	102	Principal Analyst	\$101	\$152	\$104	\$156
CA	103	Management Analyst	\$62	\$93	\$88	\$132
CA	104	Office Systems Coordinator	\$71	\$107	\$76	\$114
CA	105	Management Specialist	\$54	\$81	\$66	\$99
CA	107	Human Resources Analyst	\$78	\$116	\$81	\$121
CA	207	Administrative Assistant	\$85	\$128	\$52	\$78
CA	208	Executive Assistant	\$74	\$111	\$70	\$105
CA	209	Office Assistant	\$47	\$71	\$49	\$73
CA	501	General Manager	\$175	\$263	\$171	\$257
CA	502	Director of Finance & Administration	\$125	\$188	\$141	\$212
CA	601	Fiscal Assistant	\$72	\$108	\$61	\$92
CA	602	Fiscal Technician	\$77	\$116	\$75	\$113
CA	713	Fiscal Manager	\$91	\$137	\$101	\$152
CA	714	Information Technology Manager	\$108	\$162	\$101	\$152
ISF	715	Fleet Maintenance Supervisor	\$79	\$119	\$79	\$118
SW	207	Administrative Assistant	\$85	\$128	\$52	\$78
SW	311	Engineer I - Solid Waste	\$127	\$190	\$92	\$138
SW	315	Senior Engineer - Solid Waste	\$128	\$192	\$116	\$174
SW	506	Director of Operations	\$135	\$203	\$138	\$207
SW	550	Solid Waste Division Manager	\$180	\$271	\$125	\$188
SW	716	Solid Waste Operations Superintendent	\$148	\$221	\$92	\$138
SW	806	Senior Solid Waste Equipment Operator	\$143	\$215	\$92	\$138
SW	818	Senior Solid Waste Worker	\$102	\$154	\$92	\$138
SW	820	Solid Waste Equipment Operator	\$116	\$174	\$92	\$138
SW	821	Solid Waste Worker	\$98	\$147	\$69	\$104
WWW	103	Management Analyst - Water Quality	\$85	\$128	\$100	\$150
WWW	209	Office Assistant	\$47	\$71	\$49	\$73
WWW	316	Construction Inspector	\$91	\$137	\$96	\$143
WWW	414	Senior Source Control Inspector	\$96	\$144	\$101	\$151
WWW	415	Source Control Inspector	\$87	\$131	\$92	\$138
WWW	551	WWW Division Manager	\$125	\$188	\$125	\$188
WWW	601	Fiscal Assistant - WWW	\$72	\$108	\$61	\$92
WWW	721	WWW Coordinating Supervisor	\$116	\$174	\$116	\$174
WWW	722	WWW Technical Services Supervisor	\$125	\$188	\$125	\$188
WWW	902	Senior WWW Worker	\$84	\$126	\$88	\$132
WWW	903	Water Distribution Specialist	\$97	\$146	\$102	\$153
WWW	904	WWW Mechanic	\$86	\$129	\$92	\$138
WWW	906	WWW Treatment Operator II	\$82	\$123	\$92	\$138
WWW	90X	Electrical/Mechanical Worker	\$82	\$123	\$92	\$138
WWW	908	WWW Worker	\$66	\$99	\$69	\$104
WWW	909	WWW Helper	\$45	\$68	\$47	\$71