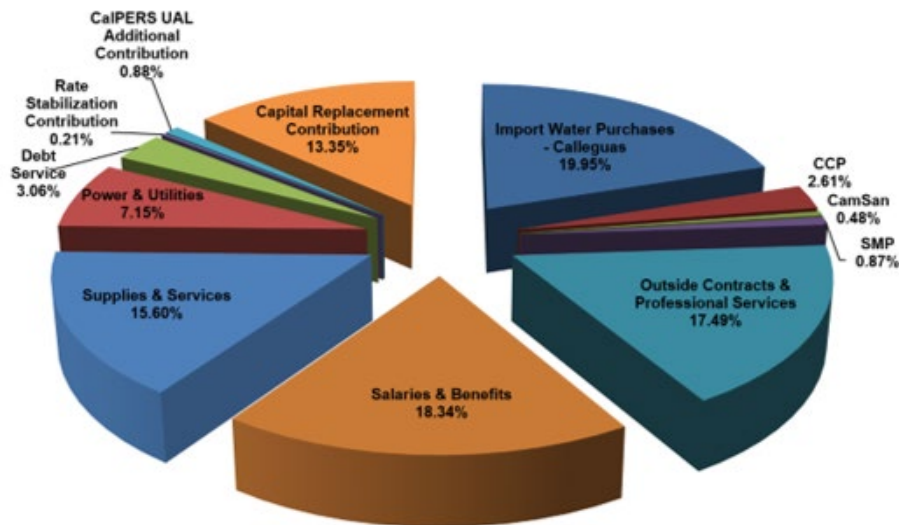


Affordability and Long-Term Value

Customers consistently identified affordability as a major concern. At the same time, many outreach participants recognized that maintaining reliable, high-quality service requires ongoing investment.

Water rates fund **daily operations, water treatment and purchases, infrastructure maintenance, regulatory compliance, emergency preparedness, and future capital improvements.**



Fiscal Year (FY) 2026-27 Budgeted Operating & Non-Operating Expenses - \$34,078,539

One of the key challenges facing water utilities is **balancing short-term affordability with long-term sustainability**. Deferring investments may reduce costs today but can lead to higher costs in the future if infrastructure deteriorates or emergency repairs become necessary. Outreach participants generally indicated that they value reliability, resilience, and water quality, even when achieving those goals requires **thoughtful investment**.

Questions We Heard

- **What are the major factors that cause water rates to increase over time?**

Water rates increase over time because the cost of providing reliable water and wastewater services changes and because infrastructure must be maintained and replaced. Costs for electricity, treatment, chemicals, labor, materials, regulatory compliance, imported water, and construction can increase over time. In addition, aging infrastructure requires ongoing investment to maintain reliability and meet future needs.

Rates also need to generate sufficient revenue to support operations, maintain appropriate reserves, and fund planned capital improvements. The objective is to make **gradual, predictable adjustments** rather than defer necessary costs and risk larger increases later.

- **How does Camrosa balance affordability and reliability?**

Camrosa must balance the cost of providing reliable service with the financial impact on customers. This requires evaluating which investments are essential, when they are needed, and how they can be funded. Projects are prioritized based on factors such as public health and safety, regulatory requirements, reliability, asset condition, operational needs, and the consequences of failure.

Camrosa also considers multiple funding sources, including rates, reserves, capacity fees, grants, and low-interest financing, to avoid placing the entire cost of long-term investments on current ratepayers. The goal is to maintain **reliable service** while keeping rate increases as **reasonable** and **predictable** as possible.

- **What measures are taken to control costs?**

Camrosa uses a number of strategies to **control costs while maintaining service levels**. These include long-term capital planning, competitive procurement, preventative maintenance, asset management, energy efficiency, water-loss reduction, careful staffing and operational management, and evaluating alternatives before committing to major projects.

Camrosa also looks for opportunities to coordinate projects, pursue state and federal grants and low-interest loans, and use existing infrastructure and local water supplies more efficiently. Cost control does not mean simply spending less; it means making prudent investments, avoiding unnecessary expenditures, and achieving the greatest long-term value for customers.

- **How is water affordability measured?**

Water affordability is generally evaluated by comparing the cost of essential water and wastewater service to household income, with particular attention to the burden on lower-income households. Camrosa's water and wastewater rates continue to remain **among the lowest** in Ventura County, due in large part to decades of strategic investment in local water supply development and infrastructure that have increased operational self-reliance and reduced dependence on costly imported water supplies. Camrosa also remains committed to **cost-effective operations** and **prudent financial management** through ongoing efforts to control operating expenses, maximize efficiencies, and responsibly plan for long-term infrastructure needs. Through these efforts Camrosa has been able to achieve a very desirable affordability ratio, when compared to the community's median income.

