Written materials relating to an item on this agenda that are distributed to the legislative bodies within 24 hours before the item is to be considered at this special meeting will be made available for public inspection at the Library, 251 South "A" Street and the City Clerk's Office, 305 West Third Street during customary business hours. Any materials to be presented at this meeting will be made available electronically 24 hours prior to the meeting, at the end of this agenda. The agenda reports are on the City of Oxnard web site at www.ci.oxnard.ca.us.

CITY OF OXNARD CALIFORNIA

AGENDA

OXNARD CITY COUNCIL
Special Meeting
City Council Chambers, 305 West Third Street, Oxnard
December 10, 2015
5:00 P.M. – Special Session

A. ROLL CALL/POSTING OF AGENDA

B. PUBLIC COMMENTS

At a special meeting, a person may address the legislative body only on matters on the agenda. The presiding officer shall limit public comments to three minutes. Public comments will be heard during City Council consideration of the item on the agenda.

C. REPORTS

Utilities Department

1. SUBJECT: Proposed Utility Rate Increase Options, Utility Rate Policy and Proposition 218 Rate Increase Protest Procedures. (001)
   RECOMMENDATION: 1) Provide direction on proposed utility rate increase options and utility rate policy and 2) Adopt a resolution setting Proposition 218 Utility Rate Increase Protest Procedures.
   Legislative Body: CC Contact: Dan Rydberg Phone: 385-8280

D. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

City of Oxnard internet address: www.ci.oxnard.ca.us.

CITY OF OXNARD CALIFORNIA	CITY COUNCIL AGENDA REPORT	TYPE OF ITEM: Report AGENDA ITEM NO.: C-1

DATE: December 10, 2015

TO: City Council

THROUGH: Greg Nyhoff, City Manager
Office of the City Manager

FROM: Daniel Rydberg, P.E., Interim Public Works Director
Public Works Department

SUBJECT: **Proposed Utility Rate Increase Options, Utility Rate Policy and Proposition 218 Rate Increase Protest Procedures**

CONTACT: Jay Duncan, Recycling Manager
jay.duncan@ci.oxnard.ca.us , 340-8175

RECOMMENDATION

That City Council:

1. Provide direction on proposed utility rate increase options and utility rate policy.

2. Adopt a resolution setting Proposition 218 Utility Rate Increase Protest Procedures.

BACKGROUND

Following sound rate policy is essential to effective utility operations. A Policy provides guidelines for financial management with an overall long-range perspective, provides a basis for coping with fiscal emergencies, helps maintain financial solvency, and enhances financial transparency. The goals of a financial policy are to mitigate risk and stabilize rates, to maintain a desirable credit rating in order to reduce interest expense, to determine the optimum ratio of cash and debt funding of capital projects, and to determine the opportune time to issue debt. The City currently has a limited utility rate policy and has developed options for expanding the policy to provide greater stability to the utility funds. Staff requests direction on implementing the policy.

On October 13, 2015 City Council approved beginning the rate setting process for water, wastewater, and solid waste rates. The rate setting process includes a Proposition 218 protest procedure consisting of a notice, a 45 day waiting period, and two public hearings. The protest process is not fully defined in the Proposition 218 statute, so it is beneficial for the City to have an approved process.

Staff has continued to evaluate the financial requirements of the Water, Wastewater and Environmental Resources Funds. Options for rate increases based on current revenue projections and rate policy options have been developed. Staff requests Council direction on development of final rate options.

FINANCIAL IMPACT

This is a special meeting for Council to receive information and provide direction to staff. There is no financial impact.

ATTACHMENTS

Attachment #1: Resolution Setting Proposition 218 Rate Increase Protest Procedures

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ADOPTING PROCEDURES FOR ESTABLISHING AND INCREASING FEES AND CHARGES UNDER PROPOSITION 218.

WHEREAS, Proposition 218 (Articles XIIIC and XIIID of the California Constitution) requires the City to comply with the substantive and procedural requirements set forth in section 6 of Article XIIID of the California Constitution prior to imposing or increasing a fee or charge upon any parcel of property or upon any person as an incident of property ownership, including rates paid for water, wastewater and solid waste services; and

WHEREAS, Proposition 218 requires that the "record owner" of the parcel upon which the fee or charge is proposed for imposition or increase be notified of the amount of the fee or charge, the basis upon which the amount of the fee or charge was calculated, the reason for the fee or charge, and the date, time, and location of a public hearing on the fee or charge; and

WHEREAS, Proposition 218 requires that all protests against the fee or charge be considered at that public hearing; and

WHEREAS, Proposition 218 does not clearly set forth the meaning of "record owner" for purposes of the notice required by section 6 of Article XIIID; and

WHEREAS, Proposition 218 does not clearly set forth who is allowed to submit protests, the procedure for submitting protests, or how the protests are to be tabulated; and

WHEREAS, the City Council wishes to set forth procedures for these two issues in this resolution which are intended to be consistent with both Proposition 218 and with the Proposition 218 Omnibus Implementation Act.

NOW, THEREFORE, the City Council of the City of Oxnard resolves that the following procedures shall be used when imposing or increasing a fee or charge subject to Article XIIID of the California Constitution:

Section One. Fee or Charge. For the purposes of this resolution, "fee or charge" means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service, and including rates paid for water, wastewater and solid waste services.

Section Two. Property-related Service. For purposes of this resolution, "property-related service" means a public service having a direct relationship to property ownership.

Section Three. Notice. Prior to imposing a fee or charge, each parcel upon which the fee or charge is proposed for imposition shall be identified. The City Clerk shall mail written notice at

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least forty-five days prior to the date of the public hearing on the fee or charge to: (a) all owners whose names and addresses appear on the last equalized secured property tax assessment roll (as provided in Government Code § 53750(j)) at the address shown on the roll; and (b) all persons who have signed up to receive the service for which the fee or charge is imposed as reflected in the billing records of the City at the time the notice is given at the mailing address shown in the billing records of the City.

In addition to the persons identified in this section, the City Clerk shall also mail written notice to anyone who has submitted a request to receive notice of the imposition or increase of a fee or charge.

Section Four. Protest Procedure.

A. Any owners whose names and addresses appear on the last equalized secured property tax assessment roll and any persons who have signed up to receive the property-related service for which the fee or charge may submit a written protest against the proposed fee or charge at the noticed public hearing or to the City Clerk, 305 West Third Street, Oxnard, CA 93030. Protests submitted by e-mail and verbal protests will not be considered by the City Council to determine whether a majority of the owners of the identified parcels have submitted protests. All members of the public are entitled to make comments at the public hearing whether or not they choose to submit a written protest.

B. All written protests must be submitted before the conclusion of the noticed public hearing. The City Clerk shall not accept or consider any protest that is received after the conclusion of the public hearing even if postmarked prior to that time.

C. Written protests must identify the affected property (by assessor's parcel number of street address) and must include the original signature of the person submitting the protest. The person signing the protest shall identify him or herself as either the owner of the parcel as shown on the last equalized secured property tax assessment roll or as the person who signed up to receive the property-related service for which the fee or charge is imposed.

D. One written protest per parcel, submitted by the owner of the parcel whose name appears on the last equalized property tax assessment roll or submitted by the person who signed up to receive the property-related service for which the fee or charge is imposed, shall be counted. If either the owner of the parcel whose name appears on the last equalized property tax assessment roll or the person who signed up to receive the property-related service for which the fee or charge is imposed submits a written protest, that protest shall be included in the calculation of whether there is a majority protest against the fee or charge. If more than one person or entity owns the parcel, if one of the owners submits a written protest, that protest shall be included in the calculation of whether there is a majority protest against the fee or charge. Under all circumstances, only one protest per parcel shall be counted.

E. Any person who submits a written protest may withdraw it by submitting a written request that the protest be withdrawn in person at the public hearing or to the City Clerk, 305 West Third Street, Oxnard, CA 93030, before the conclusion of the public hearing. The written withdrawal

of a protest shall identify the parcel and the name of either the owner whose name appears on the last equalized secured property tax assessment roll or the person who signed up to receive the property-related service for which the fee or charge is imposed and include a request that the protest be withdrawn. The withdrawal of a protest shall only be valid if it is submitted by the same person who submitted the protest.

F. The City Clerk, upon determining that a written protest has been submitted, shall securely store the written protest until the conclusion of the public hearing. Prior to the tabulation of the written protests, neither the protest nor the envelope in which it is submitted will be treated as a public record, pursuant to Government Code section 6254(c) and any other applicable law, in order to prevent potential unwarranted invasions of the submittee's privacy and to protect the integrity of the protest process. After the written protests have been tabulated, they shall constitute "public records" as defined in Government Code section 6252.

Section 5. Tabulation of Written Protests. The following procedures are hereby adopted for calculating whether a majority protest against a fee or charge has been received:

A. The City Clerk shall determine the validity of all protests. The City Clerk shall not accept as valid any protest if the City Clerk determines any of the following:

i. The protest does not identify a parcel which receives the property-related service for which the fee or charge is imposed.

ii. The protest does not bear an original signature of the person submitting the protest who is the owner of the parcel or the person who signed up to receive the property-related service for which the fee or charge is imposed, or both.

iii. The protest does not state its opposition to the proposed fee or charge which is the subject of the protest proceeding.

iv. The protest was not received by the City Clerk before the close of the public hearing on the proposed fee or charge.

v. A request to withdraw the protest was received prior to the close of the public hearing on the proposed fee or charge.

B. The City Clerk's decision regarding the validity of a protest shall constitute a final action of the City and shall not be subject to appeal to the City Council or to any other board or employee of the City.

C. The City Clerk shall begin tabulating written protests within twenty-four business hours following the close of the public hearing. The City Manager may retain a private firm with demonstrated experience in tabulating written protests to assist the City Clerk. If, at the conclusion of the public hearing, cursory review of the protests received demonstrates that the number received is manifestly less than one-half of the parcels served by the City with respect to

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the fee or charge which is the subject of the protest, then the City Clerk may advise the City Council of the absence of a majority protest without tabulating the protests.

D. A majority protest exists if, with respect to a majority of the parcels subject to the proposed fee or charge, written protests which comply with each of the requirements of this resolution are timely submitted and not withdrawn.

BE IT FURTHER RESOLVED, that this activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines section 15060(c)(3).

PASSED AND ADOPTED THIS _____ day of December, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tim Flynn, Mayor

ATTEST:

_____
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Fischer, Interim City Attorney

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