

Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.



AGENDA
OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
OXNARD FINANCING AUTHORITY
OXNARD HOUSING AUTHORITY

Meeting Location: Council Chambers, 305 West Third Street

February 11, 2023

Regular Meeting - 10:00 AM - 12:00 PM

Water Rate Workshop

Zoom details to call-in for public comment during a meeting:

- 1. Dial Phone Number: (888) 475-4499**
- 2. Enter Meeting ID: 891 1566 1314**
- 3. Passcode: 549604**

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, **press *9 to raise your hand** to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. **Press *6 when asked to unmute.** Listen to the instructions provided on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 361 AND IN RESPONSE TO THE DECLARED STATE AND LOCAL EMERGENCIES DUE TO THE NOVEL CORONAVIRUS, THE LEGISLATIVE BODY WILL MEET IN-PERSON AND REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at www.https://www.oxnard.org/city-meetings/.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at [Youtube.com/oxnardnews](https://www.youtube.com/oxnardnews). Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.
2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING
 - a. Submit a request to speak remotely by no later than 3 p.m. on the day of the meeting by using the form available at www.oxnard.org/citymeetings.

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.

Agenda Item Time Estimates include: (Minutes for Presentation + Council Discussion + Public Comment)

- b. Submit an email to cityclerk@oxnard.org no later than 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
- c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

- a. To provide public comment during the meeting dial (888) 475-4499 and enter the Meeting ID and Passcode listed above as the Zoom details for this meeting. When the presiding officer announces the particular item on the agenda you want to speak on, **press *9 to raise your hand** while in the zoom waiting room. Once called on, **press *6 to unmute** your phone.
- b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

* The City has filed pre-election and post-election lawsuits regarding the validity of Measure M.

A. ROLL CALL, POSTING OF AGENDA

THE FOLLOWING LEGISLATIVE BODIES ARE MEETING: City Council

B. OPENING CEREMONIES

Pledge of allegiance to the flag of the United States.

C. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

D. REPORTS

1. Public Works Department

SUBJECT: Water Rates Workshop. (60 minutes)

RECOMMENDATION: That the City Council provide comments and feedback on the goals, variable input, structure options, and process for the proposed water rates.

(This item is exempt from the California Environmental Quality Act (CEQA), pursuant to Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273.)

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Please click the following link to view the required Measure M pre-recorded presentation
video: <https://youtu.be/QNXEDtZpA10>

Legislative Body: City Council

Contact: Michael Wolfe, (805) 385-8055

E. ADJOURNMENT



CITY COUNCIL AGENDA REPORT

REPORTS AGENDA ITEM NO. D.1

DATE: February 11, 2023

TO: City Council

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Water Rates Workshop. (60 minutes)

RECOMMENDATION

That the City Council provide comments and feedback on the goals, variable input, structure options, and process for the proposed water rates.

(This item is exempt from the California Environmental Quality Act (CEQA), pursuant to Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273.)

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BACKGROUND

The City of Oxnard's Water Division serves residential, commercial, industrial, institutional and agricultural customers. As the largest city in Ventura County, the City's water utility serves potable water to more than 43,000 service connections. Approximately 85% of those services are single and multi-family residential.

The Water Division is responsible for operating and maintaining water facilities for production, treatment, blending, along with a distribution system with customer meters to deliver potable water across the City. Approximately 30-40% of the water supply is imported water purchased from the Calleguas Municipal Water District (CMWD), which they receive from the Metropolitan Water District of Southern California.

Approximately 30-40% of the water supply is regional groundwater purchased from the United Water Conservation District (UWCD). The remaining water supply is local groundwater drawn from the City's wells. The City has groundwater rights through the Fox Canyon Groundwater Management Agency. A portion of the groundwater is treated by reverse osmosis, blended and disinfected before entering the City distribution system. Lastly, the City has an Advanced Water Purification Facility (AWPF) that produces recycled water sold to agricultural and industrial customers and the river ridge golf course.

The City's water system includes: ten groundwater wells, five connections from the United Water Conservation District, five connections from the Calleguas Municipal Water District, one reverse osmosis treatment plant, six blending stations, more than 500 miles of transmission and distribution pipelines, approximately 43,000 Meters and appurtenances, and a network of remote pressure monitoring stations.

As a separate Enterprise Fund, the Water Utility relies mainly on revenues paid through customer water and recycled water rates to fund daily operations and maintenance, repairs, capital improvements to renew and replace aging infrastructure, debt service payments and appropriate reserves. The Oxnard community owns its water system and its financial health is an important responsibility shared between our customers, community leaders and staff. Providing a safe and reliable water supply for public health and safety is the utmost priority.

In July of 2017, the City's Public Works Department completed its last rate study. The results of the rate study indicated that the City needed to increase water rates. On September 1st, 2017, the City raised its water rates 14% and a pass-through increase adjustment took effect on January 1, 2018. As a result of the removal of the Infrastructure Use Fee in the water rates, the City reduced water rates by 3.4% on September 1, 2021.

In August 2022, the City authorized Raftelis to perform a water cost of service analysis and rate study to develop the cost of service-based water rates. Raftelis is recognized as a leading rate consultant in California and works with utilities to design water rates to achieve financial balance and maintain financial sustainability.

DISCUSSION

Water Operations: Acquire, Treat, Deliver and Administer:

The Water Division hosted three (3) community meetings in separate areas of the City and invited residents to learn about the important operations of the water utility system and its associated costs. At these meetings, staff covered the key areas of the City's water utility operations, its major components, and their financial costs, which include:

1. Purchase costs of various water supplies
2. Important operation and maintenance expenses
3. Capital Improvement Program (CIP) projects and costs
4. Debt service payments on bonds issued for major investments
5. Water monitoring, testing, and compliance
6. Operating reserves

Purchased water costs constitute between 40-50% of the entire water utility budget. Other significant operating expenditures include electricity to produce, treat and distribute water, certified staff to operate, maintain and repair the water utility system (including professional services), supplies and equipment, information and monitoring systems, water quality testing, and other costs associated with utility administration and finance.

Aging infrastructure, rising costs of water acquisition, inflation on operating supply costs, supply chain restrictions, availability of certified technical staff, tightening local groundwater and purchased surface water supplies, and increasing regulations are some of the biggest challenges facing the water division today.

Efficiency Efforts:

A responsibility that staff is keenly aware of is being stewards of our customers' funds. The City has made and will continue to make investments into the water utility system to ensure the delivery of safe and reliable drinking water supply for generations to come at the lowest possible cost. In order to ensure future success, the City must be prepared to continue investing in the water system, maintain reliability, meet State and Federal regulatory standards, and obtain the necessary infrastructure and permitting for use of our recycled water. All of this is considered with an eye towards addressing the challenges from climate change, reduced water availability of imported surface waters and local groundwater, and the rising costs to supply water that all water systems across the United States are facing. Some of the efforts to keep costs down include:

- a. Conduct annual Water Loss audits
- b. Apply for Grants to reduce high capital costs
- c. Review Budget vs. Expenses on a quarterly basis
- d. Closely monitor water allocations to avoid incurring expensive penalties
- e. Use the lowest qualified bid to obtain the lowest costs for material and contracted services
- f. Replace old inaccurate meters to ensure accurate water measurements
- g. Work with SCE for utilizing the lowest available electricity rates

Additionally, a major focus of staff is to ensure our water acquisition costs are the lowest possible. This includes investing in and maintaining a groundwater production system. The ability to use the lowest-cost water to its fullest extent is paramount in keeping rates as low as possible. In Fiscal Year (FY) 2021-22, the City's average cost of acquiring

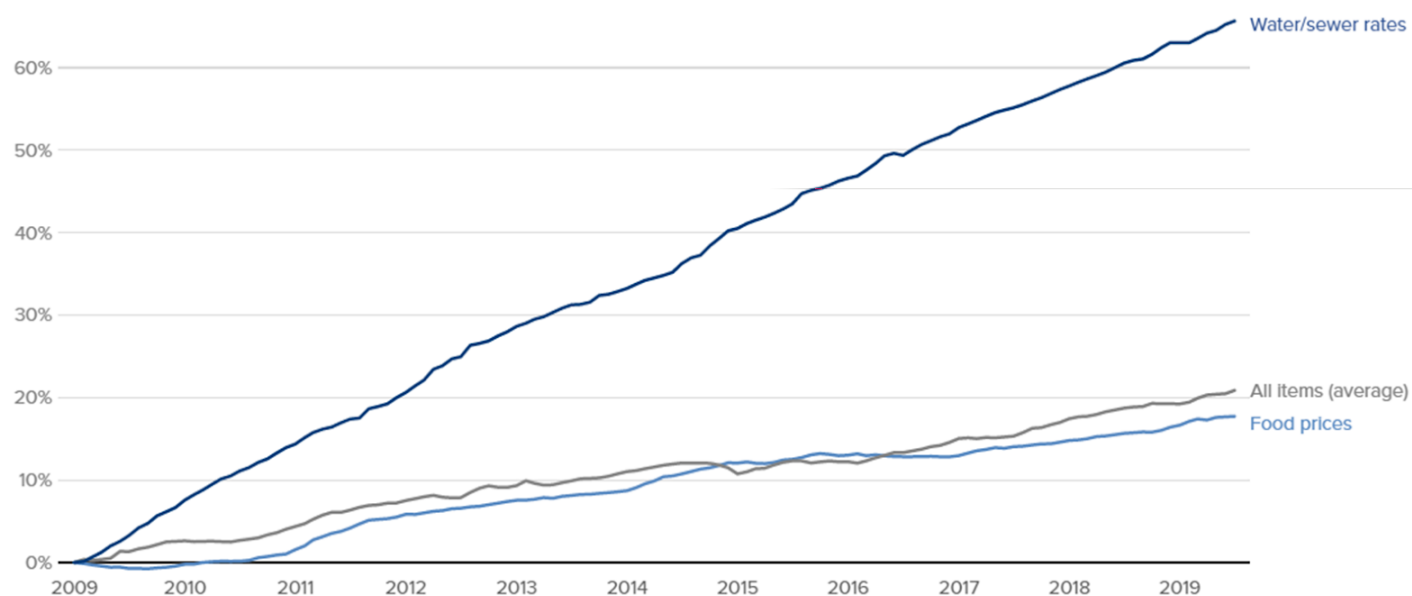
groundwater per acre-foot (combined from City wells and United) was \$592 (excludes City operating costs). The average cost (both variable and fixed components) to acquire imported water from Calleguas in FY 2021-22 was \$1,583/acre-foot. As you can see, the difference is roughly \$991 per acre-foot. The total water consumption for Oxnard customers in FY 2021-22 was 26,102 acre-feet. Of that amount, 15,382 acre-feet were from groundwater. As such, on average, the acquisition of groundwater versus the acquisition of imported water can save approximately \$15.2 million (\$991 x 15,382) per fiscal year.

Challenges:

There are many challenges facing the City's Water Operations as noted above. These include factors that are outside the control of the City (e.g. rising costs of water acquisition) and factors that are unique in the post-pandemic world (e.g. supply chain restrictions). Of significant importance is that the cost to operate and maintain a water system is not immune to inflation. In fact, the Bureau of Labor Statistics provides some insight into the extraordinary influence of disproportionate inflation of water rates since 2009. The graph below depicts the wide spread between the Consumer Price Index (CPI) between water and wastewater (sewer) rates and other areas like the price of food.

Graph 1

What Americans pay for water and sewer service has increased much faster than inflation or the price of food.



Source: Bureau of Labor Statistics—Consumer Price Index

A primary factor that has influenced this significant difference in water rates versus other products/areas is the need for expensive infrastructure replacements. The majority of water and wastewater facilities are very old and in need of repair and/or replacement. If these projects are not funded and conducted, the infrastructure will fail more frequently, creating water losses, outages in service and adverse discharges of water into the environment.

Table 1

Sample product price increases from the last rate increase to the present:

Product Item	2017 Average Cost	2022 Average Cost	Increase
Gallon of gasoline	\$2.35	\$3.36	43 %
Gallon of milk	\$3.31	\$4.21	27 %

Dozen eggs	\$1.60	\$4.25	165 %
Ford F-150 Truck (base trim)	\$27,600	\$33,695	22 %
Electricity (per kWh)	\$0.120	\$0.146	22 %
Natural Gas (per therm)	\$1.00	1.66	66 %
Acre Foot of Imported Water (variable rate)	\$1,300	\$1,561	20%
Acre Foot of Groundwater from United (variable rate)	\$522.50	\$560.16	7%

Another significant challenge that Oxnard faces, like many other cities in California, is the extended drought. In recent years, the State of California has experienced intense periods of drought, resulting in mandatory water restrictions. Due to the recent drought, in April 2022, the Metropolitan Water District (MWD) of Southern California (regional State Water Project wholesaler) enacted its Water Shortage Emergency Condition and Emergency Water Conservation Program to preserve supplies. The metropolitan's emergency order to reduce consumption required the City to choose one of two paths to be in compliance in order to continue receiving water supplies from the State Water Project. The city chose the path that restricts outdoor watering to once a week. The extended drought has affected both California's surface water and groundwater supplies. As a result of these limited water supplies, the City may have to implement drought rates to be able to meet mandated water restrictions and related monetary increases (i.e. penalty rates from MWD) to meet the level of restriction at some point in the future.

The drought challenge facing the City of Oxnard's water utility is the continual reduction of available water supplies. The City must prepare for volatile drought cycles and the need to conserve water supplies. To ensure financial stability, the City will need to consistently analyze water rates to balance revenues and expenses for better overall resource management and financial planning. As such, staff is recommending a drought rate structure as part of the rate analysis.

Goals for the Rate Study:

A Rate Study is defined as a financial planning process to review the viability of existing rates that considers many factors, such as conservation, affordability, or simplicity. A Rate Study establishes rates that promote and sustain a financially viable utility. As such, to provide guidance, staff in conjunction with our consultant (Raftelis), are using goals that are universal to the development of water rates. These goals are important to consider when identifying rate-influencing items with variable options, such as a reserve fund balance target or CIP projects.

As part of the *Input and Considerations* section below, these goals were considered when developing recommendations:

1. Cover Operations and Maintenance-(G1)
2. Cover Infrastructure Investment-(G2)
3. Legally Compliant-(G3)
4. Promote Financial Viability-(G4)
5. Community Values-(G5)
6. Provide Fairness and Equity-(G6)

Input and Considerations:

The following items are key components of developing the Rate Study and have a heavy influence on the actual rates. Staff has recommendations for each item, as noted. Because these factors heavily influence any proposed rate change, staff is seeking feedback from the City Council on each item separately. The summary of these factors with recommendations are listed below:

Table 2

Factor*	Staff Recommendation	Justification	Goal(s)
1. Rate Study Period	5-year period	Industry-standard; long-range planning; fairness of rates; ensures planned operations and mitigates deferred maintenance	G6
2. Pass-Through Charge	Include a pass-through for purchased water as allowed by California Government Code 53736	Avoids over or under-estimating factors outside the City's control (e.g. cost of Calleguas water)	G4, G5, G6
3. Drought Rate	Include drought rates in Prop 218 proceedings	Ensure financial stability during emergencies	G1, G4, G5, G6
4. Capital Improvement Program (CIP)	Medium-low	Allows for CIP projects at a rate within existing resources; ensures long-term water operations and access to groundwater	G2, G4
5. Reserve Fund Balance Target	Endeavor to maintain 25% (per Resolution 15595)	Consistent with City Council Resolution; provides funding source during emergencies	G1, G4, G5
6. Debt Coverage Ratio	Maintain a minimum ratio of 1.10; Bond Covenant Requirement	Avoids negative impact to bond rating and effects on interest rates	G4, G5
7. Water Delivery Costs	Blended	Consistent with water operations from multiple water sources	G3

*These factors and recommendations should be discussed in detail at the study session.

Water Rate History:

The following table provides the City of Oxnard's cumulative water rate adjustments and water pass-through adjustments for the previous ten fiscal years:

Table 3

Fiscal Year	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Approved water rate adjustment	4.4%	0%	0%	0%	0%	14.0%	0%	0%	0%	- 3.4%*
Water pass-through adjustment	1.4%	2.3%	0%	0%	7.0%	1.9%	0%	0%	0%	0%

***Reduction due to removal of Infrastructure-Use Fees (IUF)**

The City of Oxnard's most recent increase in water rates occurred in January 2018. In September 2021, the City reduced its water rates by 3.4% due to the removal of the Infrastructure Use Fees (IUF). Based on current water rates, a single-family residence in Oxnard with a ¾" meter using an average of nine (9) hundred cubic feet of water will pay a monthly water bill of \$50.39.

Proposed Rate Change - Overview:

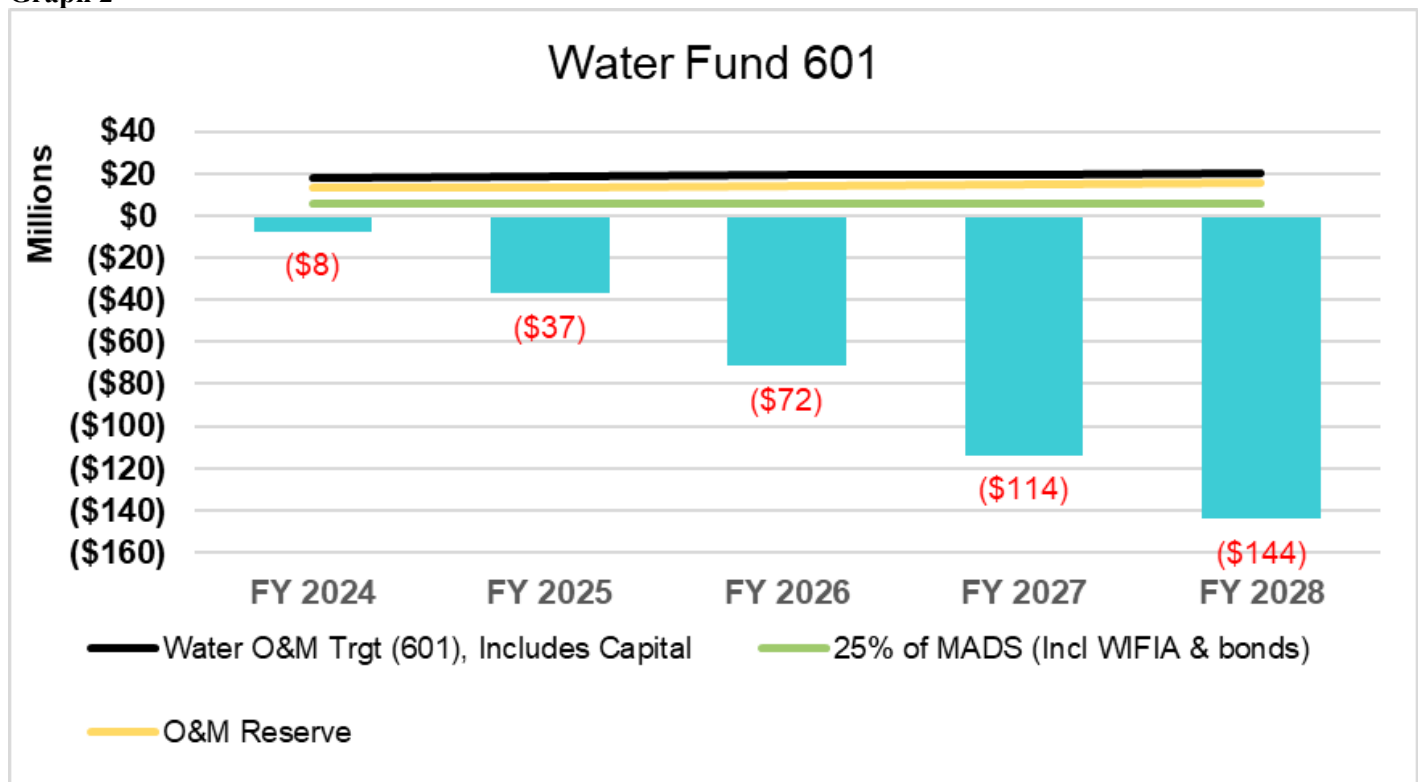
The City's previous water cost of service analysis was last completed in 2017. Costs for goods and services have increased since that year and continue to do so while the water utility rates have remained unchanged. This has led to a reduction in revenue recovery used for infrastructure improvements while also negatively impacting the water utilities' Debt Coverage Ratio, which affects the ability to secure loans for high capital expenditures at low-interest rates. To provide revenue that will meet the Debt Coverage Ratio, sustain critical operations and maintenance, and fund capital expenditures, an increase in water rates is recommended.

In August 2022, Raftelis began work on the cost of service rate study to develop a financial plan for the City's water utility that includes a five-year rate model. The results of Raftelis's analysis showed the funding deficit that will be created if new rates are not implemented. With the increasing costs that have occurred since 2017, a rate adjustment is required to ensure full cost recovery of projected annual operating expenses, capital costs, and other factors including water demands.

Updating the water rates to keep up with the rising costs of providing safe and high-quality drinking water is a key component of maintaining the financial viability of the water funds, including maintaining healthy fund balances/reserves for emergencies and applicable bond covenants, and debt coverage ratios for bond covenants, and strong credit ratings.

The graph below was generated by Raftelis's financial model and projects the financial deficit that would likely occur if the City does not adjust water rates for the water utility is implemented:

Graph 2



Because of the projected deficit, City staff worked closely with Raftelis to develop a viable financial plan for the City's water utility that includes a five-year rate model. City staff examined various options and reviewed the major factors outlined in the *Input and Considerations* section above.

Three different scenarios are provided to show the sensitivity of the rate model considering two key items. The two key factors are the level of Capital Improvement Program (CIP) funding and Debt Coverage Ratio. The following three scenarios include using a moderate-low CIP funding scenario and meeting the debt coverage ratio (scenario 1); using a moderate 50% CIP funding level each year and meeting the debt coverage ratio (scenario 2); and using an ultra-

aggressive CIP funding level and meeting the debt coverage (scenario 3). Each of these three scenarios endeavors to reach an operating reserve fund balance of 25% per Resolution 15595.

For reference, the volume of water for each of the proposed tiers for Single Family Residential (SFR) customers is:

Tier 1 - 0 to 9 CCF

Tier 2 - 9 to 15 CCF

Tier 3 - Above 15 CCF

One CCF is equal to 748 gallons of water.

The Tier amounts used for the rate model are consistent with the current rate structure and not proposed to change for all classifications. Please refer to the attached current Water Rate sheet for the existing tiers for the various customer classes.

Scenario 1. Moderate-Low CIP Funding and Meet Debt Coverage (Recommended Scenario)

Table 4 - Fixed Charges:

Line No.	Meter Size (A)	Current Rate (B)	July 1, 2023 (C)	July 1, 2024 (D)	July 1, 2025 (E)	July 1, 2026 (F)	July 1, 2027 (G)
1	5/8" or 3/4"	\$ 20.60	\$ 22.81	\$ 24.98	\$ 26.23	\$ 27.54	\$ 28.92
2	1"	32.14	33.53	36.72	38.55	40.48	42.50
3	1 1/2"	60.76	60.32	66.05	69.35	72.82	76.46
4	2"	95.25	92.48	101.27	106.33	111.65	117.23
5	3"	204.56	194.30	212.76	223.40	234.57	246.29
6	4"	348.18	328.29	359.48	377.45	396.32	416.14
7	6"	721.80	676.64	740.92	777.97	816.87	857.71
8	8"	1,037.83	971.40	1,063.68	1,116.87	1,172.71	1,231.35
9	10"	1,670.07	1,560.92	1,709.21	1,794.67	1,884.40	1,978.62

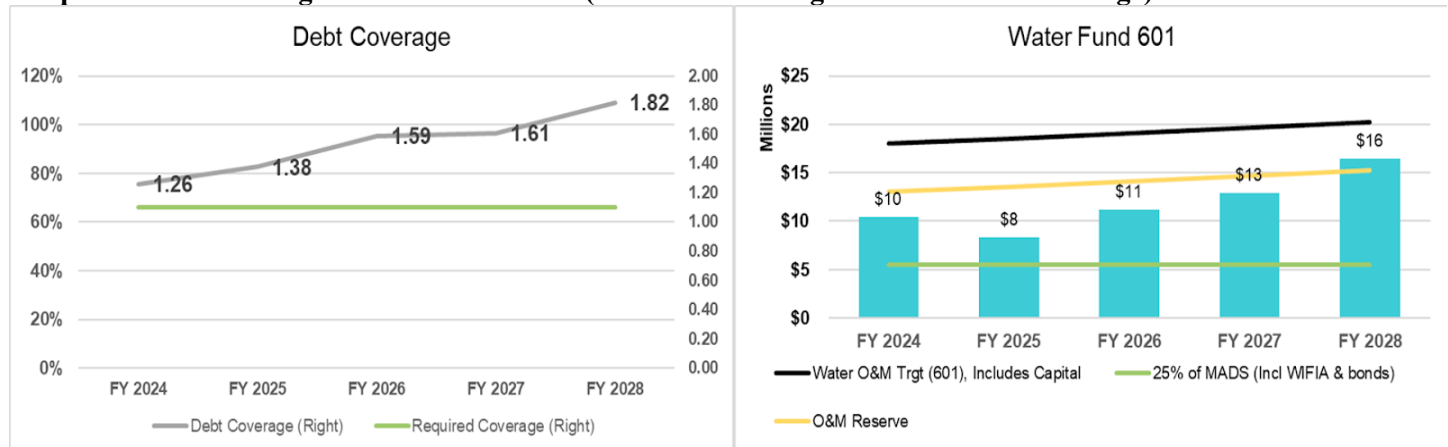
Line No.	Meter Size - Fire Lines (A)	Current Rate (B)	July 1, 2023 (C)	July 1, 2024 (D)	July 1, 2025 (E)	July 1, 2026 (F)	July 1, 2027 (G)
1	3/4"	\$ 3.66	\$ 4.79	\$ 5.25	\$ 5.51	\$ 5.78	\$ 6.07
2	1"	4.95	4.97	5.44	5.71	6.00	6.30
3	1.5"	8.13	5.61	6.14	6.45	6.77	7.11
4	2"	11.96	6.73	7.37	7.74	8.12	8.53
5	3"	24.10	10.73	11.75	12.34	12.95	13.60
6	4"	40.07	17.63	19.30	20.27	21.28	22.35
7	6"	81.59	42.40	46.43	48.75	51.19	53.75
8	8"	116.71	85.11	93.20	97.86	102.75	107.89
9	10"	186.98	149.37	163.56	171.74	180.33	189.34

Table 5 - Variable Charges:

Volumetric Rate			Current Rate	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Line No.	(A)	Tier Breakpoint	(B)	(C)	(D)	(E)	(F)	(G)
1	SFR							
2	Tier 1	0-9	\$ 3.31	\$ 4.43	\$ 4.85	\$ 5.09	\$ 5.35	\$ 5.62
3	Tier 2	>9-15	5.08	4.59	5.03	5.28	5.54	5.82
4	Tier 3	>15	6.05	4.85	5.31	5.58	5.86	6.15
5								
6	MFR							
7	Tier 1	0-8	3.53	4.42	4.84	5.08	5.34	5.60
8	Tier 2	>8	5.67	4.58	5.02	5.27	5.53	5.81
9								
10	Commercial <=2"							
11	Tier 1	0-62	3.22	4.47	4.89	5.14	5.40	5.67
12	Tier 2	>62	5.68	4.53	4.96	5.21	5.47	5.74
13	Commercial >=3"		4.47	4.77	5.22	5.48	5.76	6.05
14								
15	Industrial/City <=2"							
16	Tier 1	0-24	3.22	4.53	4.96	5.21	5.47	5.74
17	Tier 2	>24	5.68	4.75	5.20	5.46	5.73	6.02
18	Industrial >=3"		4.47	4.89	5.35	5.62	5.90	6.20
19	City >=3"		4.47	4.70	5.15	5.40	5.67	5.96
20								
21	Irrigation <=2"							
22	Tier 1	0-24	3.32	4.47	4.89	5.14	5.40	5.67
23	Tier 2	>24	5.91	4.69	5.14	5.39	5.66	5.95
24	Irrigation >=3"		5.08	4.76	5.21	5.47	5.75	6.03
25								
26	Oceanview Commercial							
27	Tier 1	0-9	3.31	\$4.87	5.33	5.60	5.88	6.17
28	Tier 2	>9-15	5.08	5.04	5.52	5.79	6.08	6.39
29	Tier 3	>15	6.05	4.84	5.30	5.56	5.84	6.14
30								
31	P&G		4.47	4.17	4.57	4.80	5.04	5.29
32	Construction		4.47	4.89	5.35	5.62	5.90	6.20

Note: Tier Breakpoints are listed in CCF (One CCF is equal to 748 gallons of water).

Graph 3 - Debt Coverage and Reserves Table (50% CIP Funding and Meet Debt Coverage):



Scenario 2 - Moderate (50% CIP Funding and Meet Debt Coverage):

Table 6 - Fixed Charges:

Line No.	Meter Size (A)	Current Rate (B)	July 1, 2023 (C)	July 1, 2024 (D)	July 1, 2025 (E)	July 1, 2026 (F)	July 1, 2027 (G)
1	5/8" or 3/4"	\$ 20.60	\$ 25.54	\$ 28.86	\$ 30.01	\$ 31.21	\$ 32.15
2	1"	32.14	38.13	43.09	44.81	46.60	48.00
3	1 1/2"	60.76	69.59	78.64	81.78	85.05	87.61
4	2"	95.25	107.34	121.29	126.15	131.19	135.13
5	3"	204.56	226.89	256.39	266.64	277.31	285.63
6	4"	348.18	384.18	434.12	451.49	469.55	483.63
7	6"	721.80	793.16	896.27	932.12	969.41	998.49
8	8"	1,037.83	1,139.21	1,287.31	1,338.80	1,392.35	1,434.12
9	10"	1,670.07	1,831.32	2,069.39	2,152.17	2,238.25	2,305.40

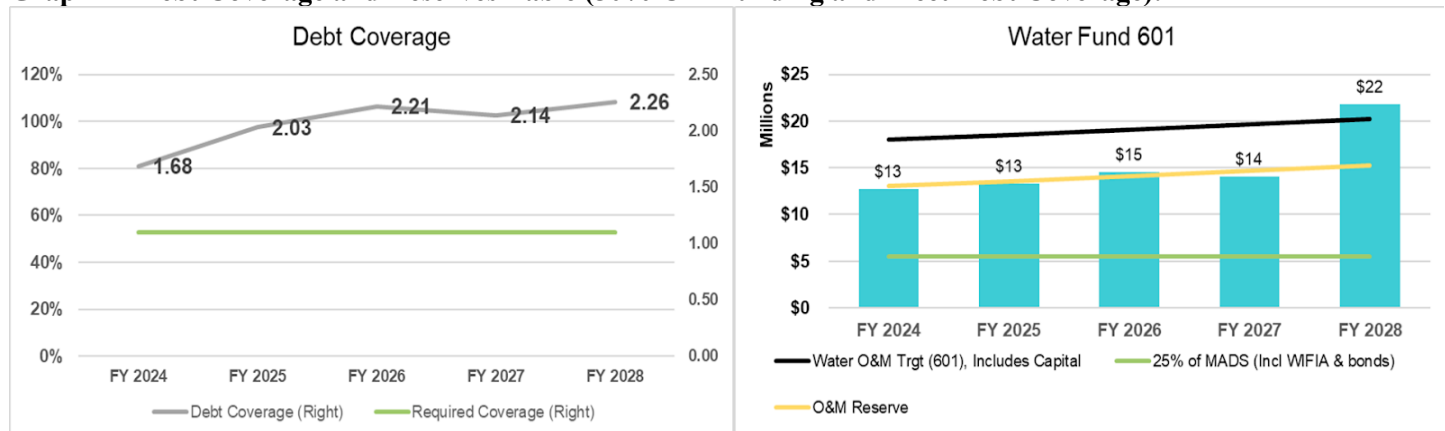
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1	3/4"	\$ 3.66	\$ 4.78	\$ 5.40	\$ 5.62	\$ 5.84	\$ 6.02
2	1"	4.95	4.99	5.64	5.86	6.10	6.28
3	1.5"	8.13	5.77	6.52	6.78	7.05	7.26
4	2"	11.96	7.11	8.03	8.36	8.69	8.95
5	3"	24.10	11.92	13.47	14.01	14.57	15.01
6	4"	40.07	20.21	22.84	23.75	24.70	25.44
7	6"	81.59	49.99	56.49	58.75	61.10	62.93
8	8"	116.71	101.34	114.51	119.09	123.86	127.57
9	10"	186.98	178.59	201.81	209.88	218.27	224.82

Table 7 - Variable Charges:

Volumetric Rate			Current Rate	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Line No.	(A)	Tier Breakpoint	(B)	(C)	(D)	(E)	(F)	(G)
1	SFR							
2	Tier 1	0-9	\$ 3.31	\$ 4.73	\$ 5.34	\$ 5.56	\$ 5.78	\$ 5.95
3	Tier 2	>9-15	5.08	4.93	5.57	5.79	6.03	6.21
4	Tier 3	>15	6.05	5.25	5.93	6.17	6.42	6.61
5								
6	MFR							
7	Tier 1	0-8	3.53	4.73	5.34	5.56	5.78	5.95
8	Tier 2	>8	5.67	4.91	5.55	5.77	6.00	6.18
9								
10	Commercial <=2"							
11	Tier 1	0-62	3.22	4.78	5.40	5.62	5.84	6.02
12	Tier 2	>62	5.68	4.85	5.48	5.70	5.93	6.11
13	Commercial >=3"		4.47	5.15	5.82	6.05	6.29	6.48
14								
15	Industrial/City <=2"							
16	Tier 1	0-24	3.22	4.86	5.49	5.71	5.94	6.12
17	Tier 2	>24	5.68	5.12	5.79	6.02	6.26	6.45
18	Industrial >=3"		4.47	5.30	5.99	6.23	6.48	6.67
19	City >=3"		4.47	5.07	5.73	5.96	6.20	6.38
20								
21	Irrigation <=2"							
22	Tier 1	0-24	3.32	4.79	5.41	5.63	5.85	6.03
23	Tier 2	>24	5.91	5.06	5.72	5.95	6.18	6.37
24	Irrigation >=3"		5.08	5.14	5.81	6.04	6.28	6.47
25								
26	Oceanview Commercial							
27	Tier 1	0-9	3.31	\$5.27	5.96	6.19	6.44	6.63
28	Tier 2	>9-15	5.08	5.48	6.19	6.44	6.70	6.90
29	Tier 3	>15	6.05	5.23	5.91	6.15	6.39	6.58
30								
31	P&G		4.47	4.13	4.67	4.86	5.05	5.20
32	Construction		4.47	5.30	5.99	6.23	6.48	6.67

Note: The Breakpoints are listed in CCF (one CCF is equal to 748 gallons of water).

Graph 4 - Debt Coverage and Reserves Table (50% CIP Funding and Meet Debt Coverage):



Scenario 3. Ultra-Aggressive CIP Funding and Meet Debt Coverage:

Table 8 - Fixed Charges:

Line No.	Meter Size (A)	Current Rate (B)	July 1, 2023 (C)	July 1, 2024 (D)	July 1, 2025 (E)	July 1, 2026 (F)	July 1, 2027 (G)
1	5/8" or 3/4"	\$ 20.60	\$ 31.56	\$ 35.35	\$ 37.12	\$ 37.86	\$ 38.62
2	1"	32.14	48.22	54.01	56.71	57.84	59.00
3	1 1/2"	60.76	89.87	100.65	105.69	107.80	109.96
4	2"	95.25	139.86	156.64	164.48	167.76	171.12
5	3"	204.56	298.14	333.92	350.61	357.62	364.78
6	4"	348.18	506.41	567.18	595.54	607.45	619.60
7	6"	721.80	1,047.91	1,173.66	1,232.34	1,256.99	1,282.13
8	8"	1,037.83	1,506.11	1,686.84	1,771.19	1,806.61	1,842.74
9	10"	1,670.07	2,422.50	2,713.20	2,848.86	2,905.84	2,963.95

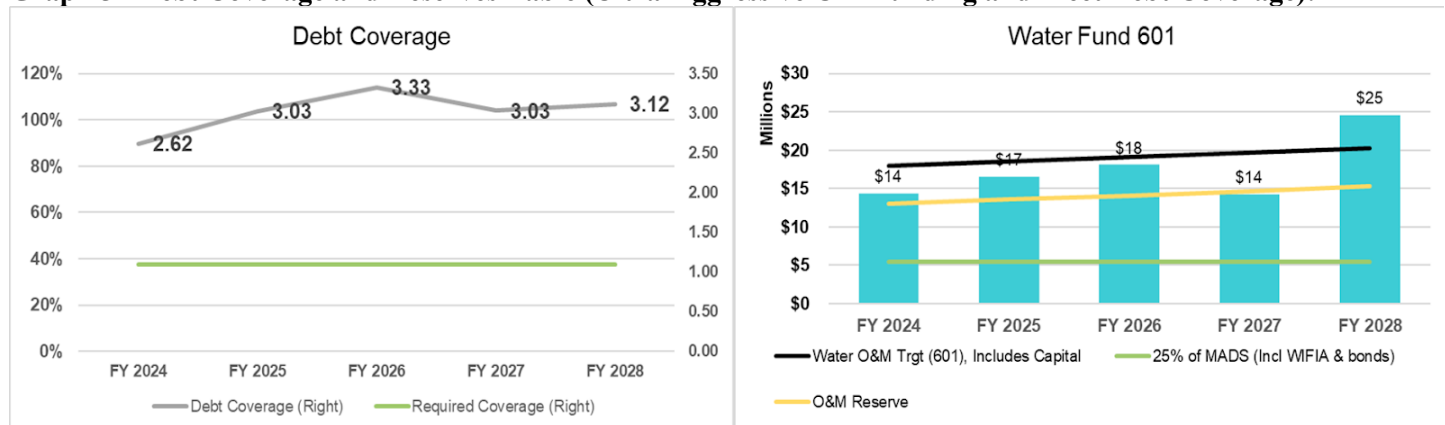
Line No.	Meter Size - Fire Lines (A)	Current Rate (B)	July 1, 2023 (C)	July 1, 2024 (D)	July 1, 2025 (E)	July 1, 2026 (F)	July 1, 2027 (G)
1	3/4"	\$ 3.66	\$ 4.77	\$ 5.34	\$ 5.61	\$ 5.72	\$ 5.84
2	1"	4.95	5.07	5.68	5.96	6.08	6.20
3	1.5"	8.13	6.13	6.87	7.21	7.35	7.50
4	2"	11.96	7.96	8.92	9.36	9.55	9.74
5	3"	24.10	14.54	16.28	17.10	17.44	17.79
6	4"	40.07	25.88	28.99	30.43	31.04	31.66
7	6"	81.59	66.58	74.57	78.30	79.86	81.46
8	8"	116.71	136.79	153.20	160.87	164.08	167.36
9	10"	186.98	242.39	271.48	285.05	290.75	296.57

Table 9 - Variable Charges:

Volumetric Rate			Current Rate	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Line No.	(A)	Tier Breakpoint	(B)	(C)	(D)	(E)	(F)	(G)
1	SFR							
2	Tier 1	0-9	\$ 3.31	\$ 5.41	\$ 6.06	\$ 6.36	\$ 6.49	\$ 6.62
3	Tier 2	>9-15	5.08	5.69	6.37	6.69	6.83	6.96
4	Tier 3	>15	6.05	6.13	6.87	7.21	7.35	7.50
5								
6	MFR							
7	Tier 1	0-8	3.53	5.40	6.05	6.35	6.48	6.61
8	Tier 2	>8	5.67	5.66	6.34	6.66	6.79	6.93
9								
10	Commercial <=2"							
11	Tier 1	0-62	3.22	5.48	6.14	6.44	6.57	6.70
12	Tier 2	>62	5.68	5.58	6.25	6.56	6.69	6.83
13	Commercial >=3"		4.47	5.99	6.71	7.04	7.19	7.33
14								
15	Industrial/City <=2"							
16	Tier 1	0-24	3.22	5.59	6.26	6.57	6.71	6.84
17	Tier 2	>24	5.68	5.95	6.66	7.00	7.14	7.28
18	Industrial >=3"		4.47	6.19	6.93	7.28	7.43	7.57
19	City >=3"		4.47	5.87	6.57	6.90	7.04	7.18
20								
21	Irrigation <=2"							
22	Tier 1	0-24	3.32	5.49	6.15	6.46	6.59	6.72
23	Tier 2	>24	5.91	5.86	6.56	6.89	7.03	7.17
24	Irrigation >=3"		5.08	5.98	6.70	7.03	7.17	7.32
25								
26	Oceanview Commercial							
27	Tier 1	0-9	3.31	\$6.16	6.90	7.24	7.39	7.54
28	Tier 2	>9-15	5.08	6.44	7.21	7.57	7.72	7.88
29	Tier 3	>15	6.05	6.10	6.83	7.17	7.32	7.46
30								
31	P&G		4.47	4.07	4.56	4.79	4.88	4.98
32	Construction		4.47	6.19	6.93	7.28	7.43	7.57

Note: Tier Breakpoints are listed in CCF (One CCF is equal to 748 gallons of water).

Graph 5 - Debt Coverage and Reserves Table (Ultra-Aggressive CIP Funding and Meet Debt Coverage):



Drought Rates:

During droughts, customers play their part in helping to conserve precious water supplies, resulting in reduced consumption. There is a corresponding, but not equal, reduction in expenditures because less water has to be procured. Ultimately, the reduced consumption impacts revenues, but the costs to operate the water system remain relatively constant. City Council can implement drought rates to ensure revenue covers remaining costs during severe drought cycles. Assuming recommended Scenario 1 from above, drought rate percent increases are listed below:

Table 10

Drought Stage ->	1	2	3	4	5	5
Drought reduction in use	up to 10%	up to 20%	up to 30%	up to 40%	up to 50%	up to 60%
% Increase on Volumetric Rate	6%	14%	23%	39%	52%	87%

Bill Samples:

The following tables provide the estimated water bill for a representative sample of an average single-family, multi-family, and commercial customer for each of the above three scenarios for the first year of the proposed rate change (July 2023):

Scenario 1 (Recommended Scenario)

Table 11

Bill Impacts (for average customer use in each class with the most common meter size)				
Customer Class	Current Bill	Proposed Bill	\$ Change	% Change
SFR	\$50.39	\$62.68	\$12.29	24.4%
MFR (2 Dwelling Units, 1" Meter)	\$91.41	\$108.83	\$17.42	19.1%
Commercial <=2"	\$131.34	\$183.73	\$52.39	39.9%
Commercial >= 3"	\$2,008.19	\$2,183.39	\$175.20	8.7%
Industrial/City <=2"	\$165.90	\$232.46	\$66.56	40.1%
Industrial >= 3"	\$7,231.34	\$7,971.36	\$740.02	10.2%
City >= 3"	\$966.68	\$1,059.10	\$92.42	9.6%
Irrigation <=2"	\$295.11	\$317.01	\$21.90	7.4%
Irrigation >= 3"	\$2,445.44	\$2,350.58	-\$94.86	-3.9%
Oceanview Commercial	\$30.53	\$37.42	\$6.89	22.6%
P&G	\$273,445.07	\$254,679.46	-\$18,765.62	-6.9%
Construction	\$1,826.90	\$1,930.25	\$103.35	5.7%

Scenario 2

Table 12**Bill Impacts (for average customer use in each class with the most common meter size)**

Customer Class	Current Bill	Proposed Bill	\$ Change	% Change
SFR	\$50.39	\$68.11	\$17.72	35.2%
MFR (2 Dwelling Units, 1" Meter)	\$91.41	\$118.72	\$27.31	29.9%
Commercial <=2"	\$131.34	\$197.62	\$66.28	50.5%
Commercial >= 3"	\$2,008.19	\$2,374.44	\$366.25	18.2%
Industrial/City <=2"	\$165.90	\$254.27	\$88.37	53.3%
Industrial >= 3"	\$7,231.34	\$8,668.08	\$1,436.74	19.9%
City >= 3"	\$966.68	\$1,159.77	\$193.09	20.0%
Irrigation <=2"	\$295.11	\$348.80	\$53.69	18.2%
Irrigation >= 3"	\$2,445.44	\$2,555.31	\$109.87	4.5%
Oceanview Commercial	\$30.53	\$41.35	\$10.82	35.5%
P&G	\$273,445.07	\$252,442.55	-\$21,002.53	-7.7%
Construction	\$1,826.90	\$2,108.39	\$281.49	15.4%

Scenario 3**Table 13****Bill Impacts (for average customer use in each class with the most common meter size)**

Customer Class	Current Bill	Proposed Bill	\$ Change	% Change
SFR	\$50.39	\$80.25	\$29.86	59.3%
MFR (2 Dwelling Units, 1" Meter)	\$91.41	\$140.28	\$48.87	53.5%
Commercial <=2"	\$131.34	\$228.84	\$97.50	74.2%
Commercial >= 3"	\$2,008.19	\$2,795.97	\$787.78	39.2%
Industrial/City <=2"	\$165.90	\$302.29	\$136.39	82.2%
Industrial >= 3"	\$7,231.34	\$10,181.38	\$2,950.04	40.8%
City >= 3"	\$966.68	\$1,378.22	\$411.54	42.6%
Irrigation <=2"	\$295.11	\$418.12	\$123.01	41.7%
Irrigation >= 3"	\$2,445.44	\$3,007.08	\$561.64	23.0%
Oceanview Commercial	\$30.53	\$50.04	\$19.51	63.9%
P&G	\$273,445.07	\$248,678.50	-\$24,766.57	-9.1%
Construction	\$1,826.90	\$2,495.59	\$668.69	36.6%

Financial Assistance Programs:

The City of Oxnard's Utility Rate Assistance Program "Project Assist" is available for solid waste, water and wastewater utility customers that qualify. This program was initially approved by City Council in May 2017 and has since been renewed annually. Project Assist grants financial relief equal to a monthly \$15.00 maximum credit per utility bill charged to customers who meet the eligibility requirements. For FY 2022-23, staff requested to direct \$145,000 from late penalty revenues to the Project Assist Program. The \$145,000 allocation estimated that approximately 805 eligible utility customers could participate in the program for a full fiscal year.

In FY 2022-23, with the restoration of penalties, the amount was projected to be approximately \$830,000. Through

December 31, 2022, the current accumulation of late penalties is \$238,735. There are 729 customers signed up for Project Assist in FY 2022-23. Should a water rate increase be approved as part of this current Rate Study process, consideration of adjusting the Project Assist amount is recommended assuming it can be supported by the penalties.

In addition to Project Assist, the California Low Income Household Water Assistance Program (LIHWAP) is also available for low-income Oxnard residents who are struggling financially to apply for financial assistance to pay for water and wastewater bills. LIHWAP will offer a one-time payment to help customers with their past due water or wastewater bills, up to a maximum of \$2,000 per account. This program will help pay overdue bills which accrue during any timeframe; in other words, there are no date restrictions on the bill relief period.

Outreach Information:

Since November 2022, the City has coordinated a multi-faceted outreach campaign to raise awareness of the three Oxnard Water Costs Community Meetings scheduled for Monday, December 12th, Saturday, January 7th, and Monday, January 23rd. After distributing a bilingual press release on November 29th, the meeting details were published in VC Reporter on December 8th and in VIDA newspaper on December 15th.

The City also ran English and Spanish social media ads on Facebook and Instagram; mailed approx. 40,000 bilingual utility bill inserts to customers in the December billing cycle; and published a bilingual print ad in VIDA newspaper on December 29th.

The City supplemented its paid outreach by including Oxnard Water Costs Community Meeting flyers in the neighborhood weekly packets and regularly posting on Nextdoor, Twitter, Facebook, and Instagram. The City also shared the Water Division's Water 101 videos in English and Spanish, and created a YouTube playlist covering topics from the first community meeting to share with the community.

Through the City's investment in paid social media posts, the City was able to reach more than 27,500 Oxnard community members with information about the meetings and nearly 300 people clicked on the link in the post to learn more. As of January 23, organic views of the YouTube "Water Costs Question & Answer" clips total more than 250.

Requirements for Prop 218 and Timeline:

Proposition 218 has very strict rules that govern the revenue of the water utility. Specifically:

- a. An agency cannot collect revenue beyond what is necessary to provide service.
- b. Revenues derived by the charge shall not be used for any other purpose other than that for which the charge was imposed.
- c. The amount of the fee may not exceed the proportional cost of service for the parcel.
- d. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.
- e. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing when the agency considers all written protests against the charge.

Estimated Timeline for Proposition 218 Notices and Public Hearings	
Early March	Mail Proposition 218 Notices containing the Proposed Water Rate Increases to Property Owners and Ratepayers
5/02/2023	Public Hearing for Proposed Rates

Furthermore, the City has adopted Resolution Number 14,877 (in 2015) which outlines the procedures for establishing

and increasing fees and charges under Proposition 218 (Resolution attached for reference). The proceedings for any water rate increase will be consistent with the requirements outlined in this Resolution.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

FINANCIAL IMPACT

The solicitation of Council input and feedback has no fiscal impact. As noted above, to provide revenue that will meet the debt coverage ratio, sustain critical operations and maintenance, and fund capital expenditures, a corresponding rate adjustment is recommended. Absent an increase in rates, significant decreases to the water operations, deferring of maintenance items, and ceasing critical capital projects will need to be considered.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Joseph Marcinko, Assistant Public Works Director

ATTACHMENTS

1. Resolution 14877
2. Oxnard water rates effective Sep 2021pdf
3. Presentation

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. 14,877

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 XIIC and XIID of the California Constitution) requires the City to comply with the substantive and procedural requirements set forth in section 6 of Article XIID 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 XIID; 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 XIID 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

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 submitter'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

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).

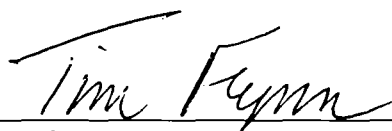
PASSED AND ADOPTED THIS 10th day of December, 2015, by the following vote:

AYES: Councilmembers Flynn, Ramirez, MacDonald, Padilla and Perello.

NOES: None.

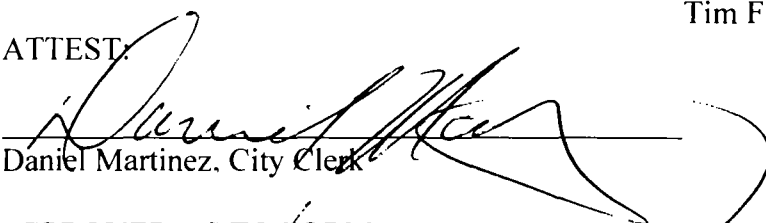
ABSENT: None.

ABSTAIN: None.



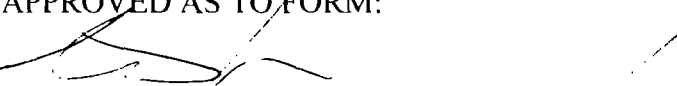
Tim Flynn, Mayor

ATTEST:



Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Stephen M. Fischer, Interim City Attorney

CITY OF OXNARD WATER AND WASTEWATER RATES

Effective September 1, 2021, respective utility rates have been reduced to reflect the temporary removal of the Infrastructure Use Fee from rates, as approved by Council

FOR UTILITY BILLING CALL 805-385-7816

WATER RATES AND CHARGES - EFFECTIVE SEPTEMBER 1, 2021

(monthly bill consists of monthly fixed charge + volume charge)

MONTHLY FIXED CHARGE

(Includes .50 Water Resource Fee + 1.24 Security & Contamination Prevention Fee)

METER SIZE	3/4"	1"	1.5"	2.0"	3.0"	4.0"	6.0"	8.0"	10.0"
Single Family	\$20.60	\$32.14	\$60.76	\$95.25	\$204.56	\$348.18	\$721.80	\$1,037.83	\$1,670.07
Multi-Family	\$18.87	\$29.26	\$55.02	\$86.05	\$184.44	\$313.69	\$649.95	\$934.38	\$1,503.40
Commercial	\$15.42	\$23.50	\$43.54	\$67.68	\$144.20	\$244.73	\$506.26	\$727.49	\$1,170.06
Industrial	\$15.42	\$23.50	\$43.54	\$67.68	\$144.20	\$244.73	\$506.26	\$727.49	\$1,170.06
Irrigation	\$15.42	\$23.50	\$43.54	\$67.68	\$144.20	\$244.73	\$506.26	\$727.49	\$1,170.06
Oceanview Commercial	\$20.60	\$32.14	\$60.76	\$95.25					
Oceanview Agricultural					\$144.20	\$244.73	\$506.26	\$727.49	\$1,170.06
Fireline	\$3.66	\$4.95	\$8.13	\$11.96	\$24.10	\$40.07	\$81.59	\$116.71	\$186.98
Construction (metered) (1)	\$23.50				\$144.20				
Construction (non-metered)	\$37.85	\$68.28	\$155.29	\$290.93					
Deposits	\$44.00	\$65.00	\$120.00	\$185.00	(2)	(2)	(2)	(2)	(2)

VOLUME CHARGE PER 100 CUBIC FEET (HCF) = 748.05 GALLONS

CUSTOMER CLASS

Single Family	0-9	\$3.31	>9-15	\$5.08	>15	\$6.05
Multi-Family - per unit	0-8	\$3.53	>8	\$5.67		
Commercial & Industrial (2" meter or smaller)	0-62	\$3.22	>62	\$5.68		
Commercial & Industrial (3" meter or larger)	Uniform Rate of \$4.47 per HCF					
Irrigation (2" meter or smaller)	0-24	\$3.32	>24	\$5.91		
Irrigation (3" meter or larger)	Uniform Rate of \$5.08 per HCF					
Oceanview Commercial	0-9	\$3.31	>9-15	\$5.08	>15	\$6.05
Oceanview Agricultural	Uniform Rate of \$1.16 per HCF					
Construction (metered) (1)	Uniform Rate of \$4.47 per HCF					
(1) Metered Construction (Fire Hydrant) Fees: Installation \$100, Deposit 1 or 3" Meter \$850, Fire Hydrant Meter Move \$65	(2) Deposit for meter >2.0" is an amount approximately one-month minimum bill but not less than \$205			Miscellaneous Charges: Meter Install Fee \$120, Turn Off Fee \$80 (+\$65 After Hours Turn On), Turn Off Notice Fee \$13, Broken Lock Fee \$12, Returned Check Fee \$20		

RECYCLED WATER

In-Lieu Irrigation	Uniform Rate of \$3.40 per HCF	Note: Not available for residential use
In-Lieu Commercial/Industrial	Uniform Rate of \$3.23 per HCF	

WASTEWATER RATES AND CHARGES - EFFECTIVE SEPTEMBER 1, 2021

(monthly bill consists of base rate charge + volume rate of return charge)

MONTHLY BASE RATE

Single Family	\$35.79	
Multi-Family	Each of 1st 6 Units = \$26.19 7+ Units = \$13.06	
Outside City-Residential	\$92.54	
Outside City-Multi-Family	\$64.59	
Non-Metered	\$61.42	

VOLUME CHARGE PER HCF (RATE OF WATER RETURN %)

Single Family (80%)	0-9	\$2.35	>9-18	\$2.62	>18	\$3.63
Single Family Large Lots (60%)	0-16	\$2.35	>16-25	\$2.62	>25	\$3.63
Multi-Family - per unit (90%)	0-6	\$1.91	>6-12	\$2.13	>12	\$2.97
Commercial (85%)	Minimum Monthly Fee \$23.77 *OR* whichever is greater					
	0-50	\$4.19	>50-930	\$5.23	>930	\$10.43
School (85%)	Minimum Monthly Fee \$83.42 *OR* whichever is greater					
	0-50	\$4.19	>50-930	\$5.23	>930	\$10.43
Restaurant (80%)	Minimum Monthly Fee \$22.07 *OR* whichever is greater					
	0-20	\$4.19	>20-160	\$5.23	>160	\$10.43
Laundry (90%)	Minimum Monthly Fee 109.35 *OR* whichever is greater					
	0-105	\$4.19	>105-525	\$4.63	>525	\$5.77
Las Posas Commercial	0-50	\$7.60	>50-930	\$9.47	>930	\$18.91

MONTHLY RATES FOR USER CHARGE FORMULA

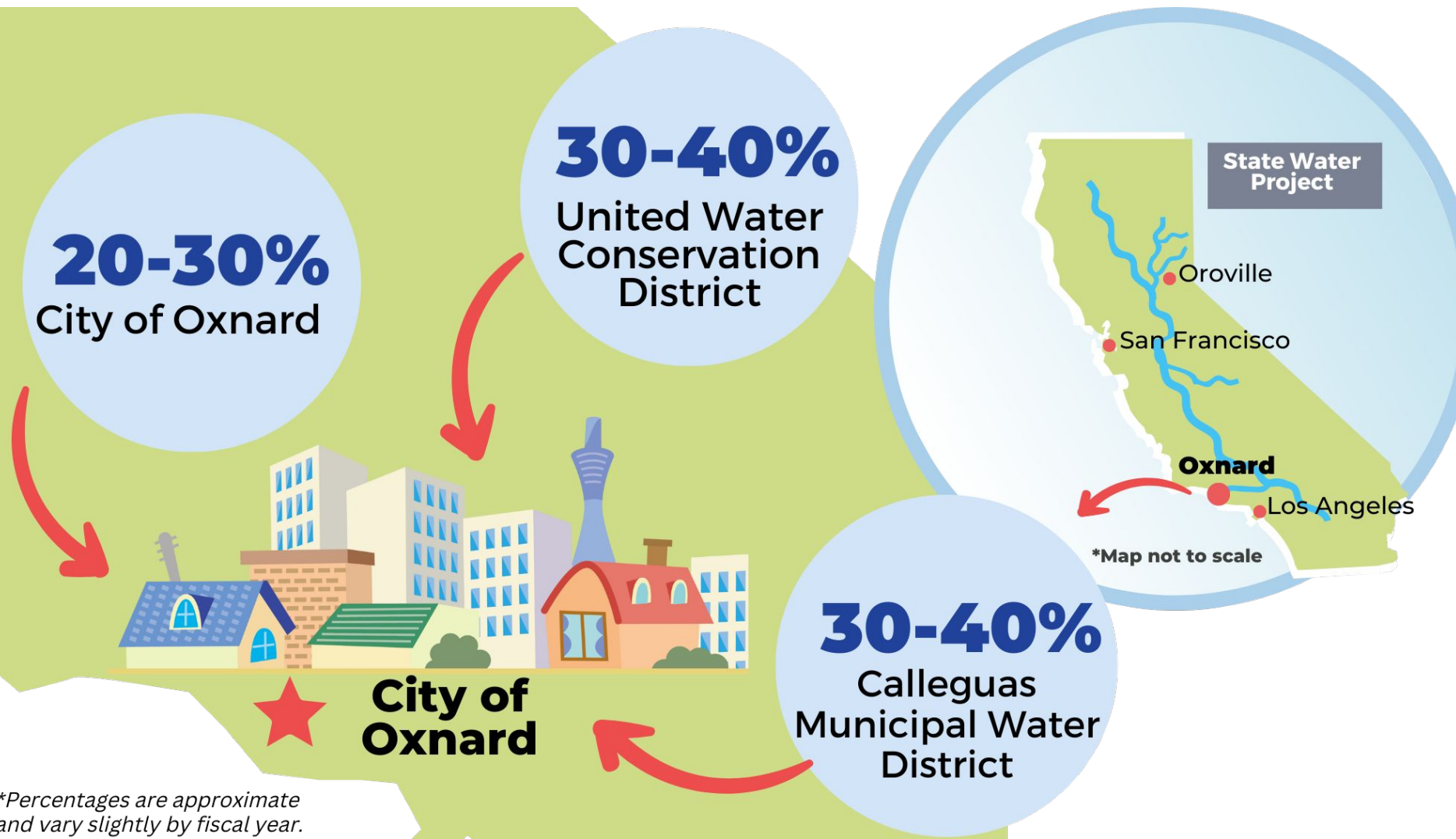
Wastewater Discharge/Millions of Gallons: p= \$3,655.42
 Biological Oxygen Demand (BOD) Discharge/Thousands of lbs: q= \$832.95
 Suspended Solids (SS) Discharge/Thousands of lbs: r= \$658.75

WATER LEAKS OR OTHER SERVICE ISSUES CALL 805-385-8136 ~ WASTEWATER ODOR OR OTHER SERVICE ISSUES CALL 805-385-3517

WATER RATES WORKSHOP

FEBRUARY 11, 2023

MICHAEL L. WOLFE, P.E.
DIRECTOR OF PUBLIC WORKS





Water Supply

- ✓ Surface water and groundwater
- ✓ 40-50% of the entire water budget



Operating & Maintenance Expenses

- ✓ 10 groundwater wells
- ✓ 5,700 fire hydrants
- ✓ 6 blending stations
- ✓ Staff of 70



Infrastructure Investments including CIP

- ✓ 43,000 water meters
- ✓ 1 Desalter
- ✓ Over 500 miles of water pipelines



Water Monitoring, Testing, Compliance

- ✓ 3,700 tests per year
- ✓ 300 types of analyses



Financial: Debt Coverage, Reserves

- ✓ 1.10 debt coverage ratio
- ✓ 25% reserves (Resolution 15595)

*Numbers are approximate and may vary slightly

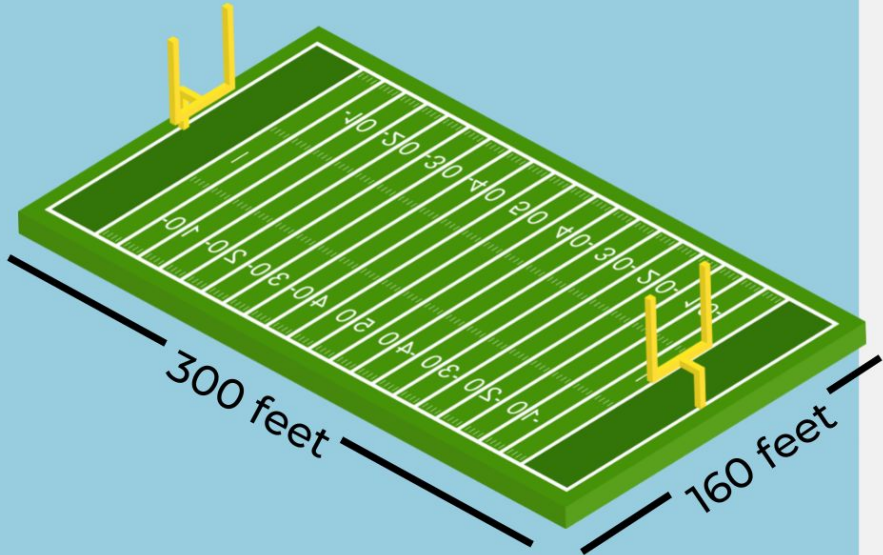
1 Acre-Foot of Water is approx. 1 Football Field

325,851 gallons of
water = 1 acre-foot

272 feet

160 feet

1 foot deep



300 feet

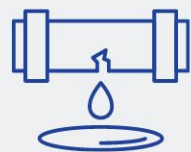
160 feet



The total usage of water in Oxnard for FY 21-22 was 26,102 acre-feet

AUDITS

Conduct annual water loss audits



BUDGET VS. EXPENSES

Review budget and expenses on a quarterly basis



BIDS

Use lowest qualified bid to obtain the lowest costs for materials and contracted services



SO. CAL. EDISON

Work with SCE for utilizing the lowest available electricity rates



GRANTS

Apply for grants to reduce high capital costs



MONITOR

Closely monitor water allocations to avoid incurring expensive penalties



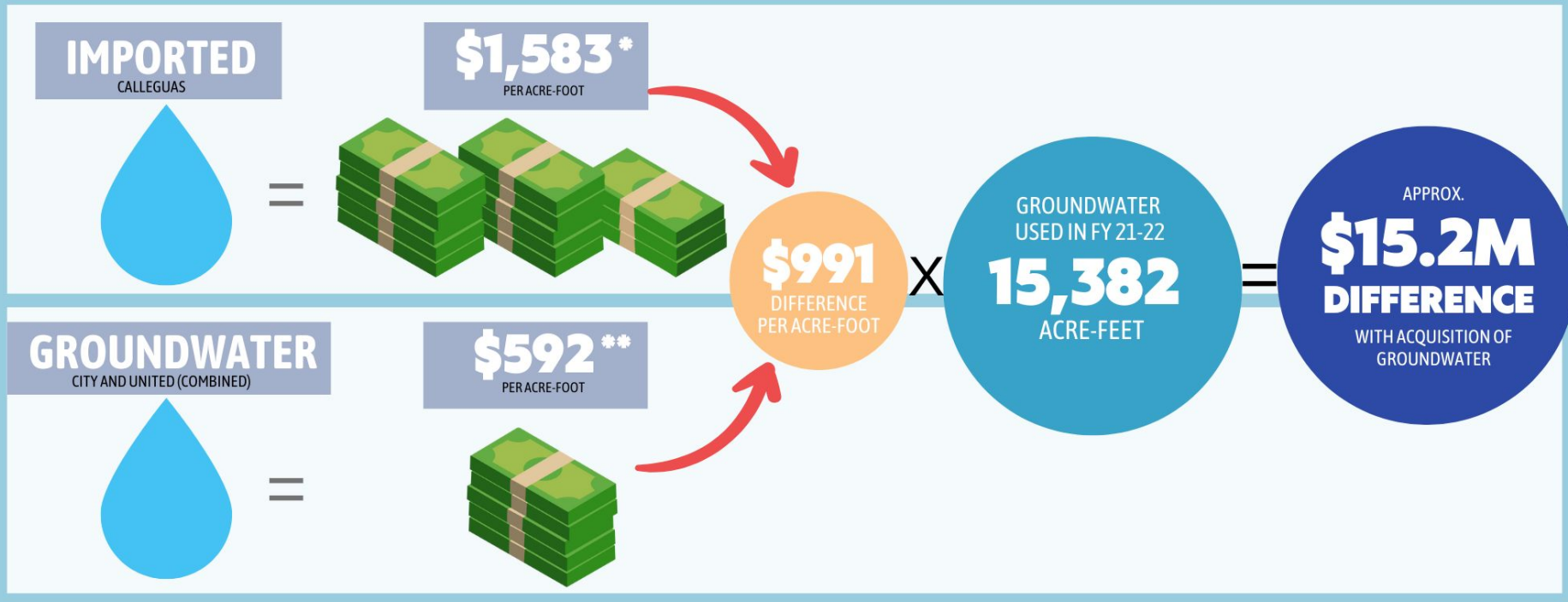
WATER METERS

Replace old inaccurate meters to ensure accurate water measurements



ENSURE OUR WATER ACQUISITION COSTS ARE THE LOWEST POSSIBLE

IN FY 21-22:

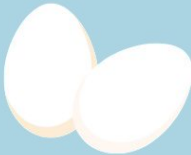


*Both variable and fixed components

**Excludes City operating costs

SAMPLE ITEM COST INCREASE

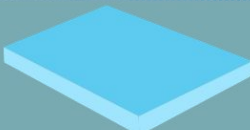
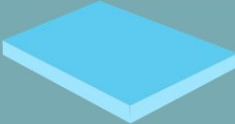
7

2017 AVERAGE COST	SAMPLE ITEM:	2022 AVERAGE COST
\$3.31	 GALLON OF MILK	\$4.21 
\$2.35	 GALLON OF GAS	\$3.36 
\$1.60	 1 DOZEN EGGS	\$4.25 

Source: U.S. Bureau of Labor Statistics-Consumer Price Index

SAMPLE PRODUCT COST INCREASE

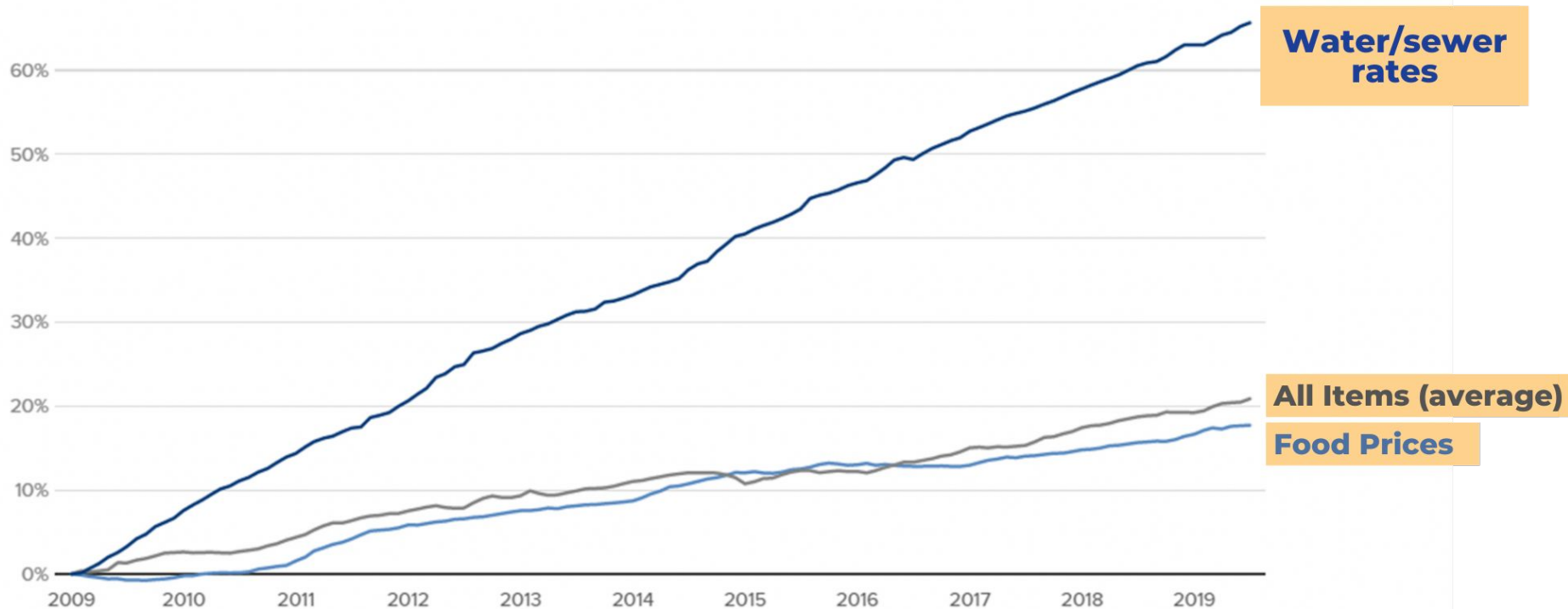
8

2017 AVERAGE COST	SAMPLE ITEM:	2022 AVERAGE COST	
\$1.00	 NATURAL GAS (per therm)	\$1.66	↑66%
\$0.12	 ELECTRICITY (per kWh)	\$0.15	↑22%
\$27,600	 FORD F-150 TRUCK	\$33,695	↑22%
\$1,300 per acre-foot	 IMPORTED WATER	\$1,561 per acre-foot	↑20%
\$522.50 per acre-foot	 GROUNDWATER FROM UNITED	\$560.16 per acre-foot	↑7%

Sources: U.S. Bureau of Labor Statistics-Consumer Price Index; So Cal. Edison-Rates

Increases 2009-2020

What consumers pay for water and sewer service has increased much faster than inflation or the price of food.



Source: U.S. Bureau of Labor Statistics-Consumer Price Index

1 COVER OPERATIONS & MAINTENANCE



2



COVER INFRASTRUCTURE INVESTMENTS

3



LEGALLY COMPLIANT

PROMOTE FINANCIAL VIABILITY



4



COMMUNITY VALUES

5

FAIRNESS & EQUITY



6



Rate Study Period

Recommendation: 5 year period



Pass Through Charge

Recommendation: Include a pass-through option to avoid over/under estimating factors outside the City's control



Drought Rate

Recommendation: Include drought rates in the Prop. 218 proceedings



Capital Improvement Program (CIP)

Allows for CIP projects at a rate within existing resources



Reserve Fund Balance Budget

Recommendation: Aim to maintain 25% reserves



Debt Coverage Ratio

Recommendation: Maintain a minimum of 1.10



Water Delivery Costs

City of Oxnard's cumulative water rate adjustments:

Fiscal Year	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Approved water rate adjustment	4.4%	0%	0%	0%	0%	14.0%	0%	0%	0%	-3.4%*
Water pass-through adjustment	1.4%	2.3%	0%	0%	7.0%	1.9%	0%	0%	0%	0%

*Reduction due to removal of Infrastructure-Use Fees (IUF).

In September 2021, the City **reduced** its water rates by **3.4%** due to the removal of the Infrastructure Use Fees (IUF).



Based on **current rates**, a single family residence in Oxnard with a 3/4" meter using average 9 hundred-cubic-feet of water will pay a monthly water bill of **\$50.39**.



Approximately **85%** of service customers are single and multi-family residential.



More than **43,000** customers receive potable water services.

Scenario 1 (Recommended)

Fixed Charges:

Line No.	Meter Size (A)	Current Rate (B)	July 1, 2024 (C)	July 1, 2025 (D)	July 1, 2026 (E)	July 1, 2027 (F)	July 1, 2028 (G)
1	5/8" or 3/4"	\$ 20.60	\$ 22.81	\$ 24.98	\$ 26.23	\$ 27.54	\$ 28.92
2	1"	32.14	33.53	36.72	38.56	40.49	42.51
3	1 1/2"	60.76	60.32	66.05	69.35	72.82	76.46
4	2"	95.25	92.48	101.27	106.33	111.65	117.23
5	3"	204.56	194.30	212.76	223.40	234.57	246.30
6	4"	348.18	328.29	359.48	377.45	396.32	416.14
7	6"	721.80	676.64	740.92	777.97	816.87	857.71
8	8"	1,037.83	971.40	1,063.68	1,116.86	1,172.70	1,231.34
9	10"	1,670.07	1,560.92	1,709.21	1,794.67	1,884.40	1,978.62

Line No.	Meter Size - Fire Lines (A)	Current Rate (B)	July 1, 2024 (C)	July 1, 2025 (D)	July 1, 2026 (E)	July 1, 2027 (F)	July 1, 2028 (G)
1	3/4"	\$ 3.66	\$ 4.79	\$ 5.25	\$ 5.51	\$ 5.79	\$ 6.08
2	1"	4.95	4.97	5.44	5.71	6.00	6.30
3	1.5"	8.13	5.61	6.14	6.45	6.77	7.11
4	2"	11.96	6.73	7.37	7.74	8.13	8.54
5	3"	24.10	10.73	11.75	12.34	12.96	13.61
6	4"	40.07	17.63	19.30	20.27	21.28	22.34
7	6"	81.59	42.40	46.43	48.75	51.19	53.75
8	8"	116.71	85.11	93.20	97.86	102.75	107.89
9	10"	186.98	149.37	163.56	171.74	180.33	189.35

Scenario 1 (Recommended)

Variable Charges:

Volumetric Rate			Current Rate	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Line No.	(A)	Tier Breakpoint	(B)	(C)	(D)	(E)	(F)	(G)
1	SFR							
2	Tier 1	0-9	\$ 3.31	\$ 4.43	\$ 4.85	\$ 5.09	\$ 5.35	\$ 5.62
3	Tier 2	>9-15	5.08	4.59	5.03	5.28	5.54	5.82
4	Tier 3	>15	6.05	4.85	5.31	5.58	5.86	6.15
5								
6	MFR							
7	Tier 1	0-8	3.53	4.42	4.84	5.08	5.34	5.60
8	Tier 2	>8	5.67	4.58	5.02	5.27	5.53	5.81
9								
10	Commercial <=2"							
11	Tier 1	0-62	3.22	4.47	4.89	5.14	5.40	5.67
12	Tier 2	>62	5.68	4.53	4.96	5.21	5.47	5.74
13	Commercial >=3"		4.47	4.77	5.22	5.48	5.76	6.05
14								
15	Industrial/City <=2"							
16	Tier 1	0-24	3.22	4.53	4.96	5.21	5.47	5.74
17	Tier 2	>24	5.68	4.75	5.20	5.46	5.73	6.02
18	Industrial >=3"		4.47	4.89	5.35	5.62	5.90	6.20
19	City >=3"		4.47	4.70	5.15	5.40	5.67	5.96
20								
21	Irrigation <=2"							
22	Tier 1	0-24	3.32	4.47	4.89	5.14	5.40	5.67
23	Tier 2	>24	5.91	4.69	5.14	5.39	5.66	5.95
24	Irrigation >=3"		5.08	4.76	5.21	5.47	5.75	6.03
25								
26	Oceanview Commercial							
27	Tier 1	0-9	3.31	\$4.87	5.33	5.60	5.88	6.17
28	Tier 2	>9-15	5.08	5.04	5.52	5.79	6.08	6.39
29	Tier 3	>15	6.05	4.84	5.30	5.56	5.84	6.14
30								
31	P&G		4.47	4.17	4.57	4.80	5.04	5.29
32	Construction		4.47	4.89	5.35	5.62	5.90	6.20

Scenario 2

Fixed Charges:

Line No.	Meter Size (A)	Current Rate (B)	July 1, 2024 (C)	July 1, 2025 (D)	July 1, 2026 (E)	July 1, 2027 (F)	July 1, 2028 (G)
1	5/8" or 3/4"	\$ 20.60	\$ 25.54	\$ 28.86	\$ 30.01	\$ 31.21	\$ 32.15
2	1"	32.14	38.13	43.09	44.81	46.60	48.00
3	1 1/2"	60.76	69.59	78.64	81.79	85.06	87.61
4	2"	95.25	107.34	121.29	126.14	131.19	135.13
5	3"	204.56	226.89	256.39	266.65	277.32	285.64
6	4"	348.18	384.18	434.12	451.48	469.54	483.63
7	6"	721.80	793.16	896.27	932.12	969.40	998.48
8	8"	1,037.83	1,139.21	1,287.31	1,338.80	1,392.35	1,434.12
9	10"	1,670.07	1,831.32	2,069.39	2,152.17	2,238.26	2,305.41

Line No.	Meter Size - Fire Lines (A)	Current Rate (B)	July 1, 2024 (C)	July 1, 2025 (D)	July 1, 2026 (E)	July 1, 2027 (F)	July 1, 2028 (G)
1	3/4"	\$ 3.66	\$ 4.78	\$ 5.40	\$ 5.62	\$ 5.84	\$ 6.02
2	1"	4.95	4.99	5.64	5.87	6.10	6.28
3	1.5"	8.13	5.77	6.52	6.78	7.05	7.26
4	2"	11.96	7.11	8.03	8.35	8.68	8.94
5	3"	24.10	11.92	13.47	14.01	14.57	15.01
6	4"	40.07	20.21	22.84	23.75	24.70	25.44
7	6"	81.59	49.99	56.49	58.75	61.10	62.93
8	8"	116.71	101.34	114.51	119.09	123.85	127.57
9	10"	186.98	178.59	201.81	209.88	218.28	224.83

Scenario 2

Variable Charges:

Volumetric Rate			Current Rate	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Line No.	(A)	Tier Breakpoint	(B)	(C)	(D)	(E)	(F)	(G)
1	SFR							
2	Tier 1	0-9	\$ 3.31	\$ 4.73	\$ 5.34	\$ 5.56	\$ 5.78	\$ 5.95
3	Tier 2	>9-15	5.08	4.93	5.57	5.79	6.03	6.21
4	Tier 3	>15	6.05	5.25	5.93	6.17	6.42	6.61
5								
6	MFR							
7	Tier 1	0-8	3.53	4.73	5.34	5.56	5.78	5.95
8	Tier 2	>8	5.67	4.91	5.55	5.77	6.00	6.18
9								
10	Commercial <=2"							
11	Tier 1	0-62	3.22	4.78	5.40	5.62	5.84	6.02
12	Tier 2	>62	5.68	4.85	5.48	5.70	5.93	6.11
13	Commercial >=3"		4.47	5.15	5.82	6.05	6.29	6.48
14								
15	Industrial/City <=2"							
16	Tier 1	0-24	3.22	4.86	5.49	5.71	5.94	6.12
17	Tier 2	>24	5.68	5.12	5.79	6.02	6.26	6.45
18	Industrial >=3"		4.47	5.30	5.99	6.23	6.48	6.67
19	City >=3"		4.47	5.07	5.73	5.96	6.20	6.38
20								
21	Irrigation <=2"							
22	Tier 1	0-24	3.32	4.79	5.41	5.63	5.85	6.03
23	Tier 2	>24	5.91	5.06	5.72	5.95	6.18	6.37
24	Irrigation >=3"		5.08	5.14	5.81	6.04	6.28	6.47
25								
26	Oceanview Commercial							
27	Tier 1	0-9	3.31	\$5.27	5.96	6.19	6.44	6.63
28	Tier 2	>9-15	5.08	5.48	6.19	6.44	6.70	6.90
29	Tier 3	>15	6.05	5.23	5.91	6.15	6.39	6.58
30								
31	P&G		4.47	4.13	4.67	4.86	5.05	5.20
32	Construction		4.47	5.30	5.99	6.23	6.48	6.67

Scenario 3

Fixed Charges:

Line No.	Meter Size (A)	Current Rate (B)	July 1, 2024 (C)	July 1, 2025 (D)	July 1, 2026 (E)	July 1, 2027 (F)	July 1, 2028 (G)
1	5/8" or 3/4"	\$ 20.60	\$ 31.56	\$ 35.35	\$ 37.12	\$ 37.86	\$ 38.62
2	1"	32.14	48.22	54.01	56.71	57.84	59.00
3	1 1/2"	60.76	89.87	100.65	105.68	107.79	109.95
4	2"	95.25	139.86	156.64	164.47	167.76	171.12
5	3"	204.56	298.14	333.92	350.62	357.63	364.78
6	4"	348.18	506.41	567.18	595.54	607.45	619.60
7	6"	721.80	1,047.91	1,173.66	1,232.34	1,256.99	1,282.13
8	8"	1,037.83	1,506.11	1,686.84	1,771.18	1,806.60	1,842.73
9	10"	1,670.07	2,422.50	2,713.20	2,848.86	2,905.84	2,963.96

Line No.	Meter Size - Fire Lines (A)	Current Rate (B)	July 1, 2024 (C)	July 1, 2025 (D)	July 1, 2026 (E)	July 1, 2027 (F)	July 1, 2028 (G)
1	3/4"	\$ 3.66	\$ 4.77	\$ 5.34	\$ 5.61	\$ 5.72	\$ 5.83
2	1"	4.95	5.07	5.68	5.96	6.08	6.20
3	1.5"	8.13	6.13	6.87	7.21	7.35	7.50
4	2"	11.96	7.96	8.92	9.37	9.56	9.75
5	3"	24.10	14.54	16.28	17.09	17.43	17.78
6	4"	40.07	25.88	28.99	30.44	31.05	31.67
7	6"	81.59	66.58	74.57	78.30	79.87	81.47
8	8"	116.71	136.79	153.20	160.86	164.08	167.36
9	10"	186.98	242.39	271.48	285.05	290.75	296.57

Scenario 3

Variable Charges:

	Volumetric Rate		Current Rate	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Line No.	(A)	Tier Breakpoint	(B)	(C)	(D)	(E)	(F)	(G)
1	SFR							
2	Tier 1	0-9	\$ 3.31	\$ 5.41	\$ 6.06	\$ 6.36	\$ 6.49	\$ 6.62
3	Tier 2	>9-15	5.08	5.69	6.37	6.69	6.83	6.96
4	Tier 3	>15	6.05	6.13	6.87	7.21	7.35	7.50
5								
6	MFR							
7	Tier 1	0-8	3.53	5.40	6.05	6.35	6.48	6.61
8	Tier 2	>8	5.67	5.66	6.34	6.66	6.79	6.93
9								
10	Commercial <=2"							
11	Tier 1	0-62	3.22	5.48	6.14	6.44	6.57	6.70
12	Tier 2	>62	5.68	5.58	6.25	6.56	6.69	6.83
13	Commercial >=3"		4.47	5.99	6.71	7.04	7.19	7.33
14								
15	Industrial/City <=2"							
16	Tier 1	0-24	3.22	5.59	6.26	6.57	6.71	6.84
17	Tier 2	>24	5.68	5.95	6.66	7.00	7.14	7.28
18	Industrial >=3"		4.47	6.19	6.93	7.28	7.43	7.57
19	City >=3"		4.47	5.87	6.57	6.90	7.04	7.18
20								
21	Irrigation <=2"							
22	Tier 1	0-24	3.32	5.49	6.15	6.46	6.59	6.72
23	Tier 2	>24	5.91	5.86	6.56	6.89	7.03	7.17
24	Irrigation >=3"		5.08	5.98	6.70	7.03	7.17	7.32
25								
26	Oceanview Commercial							
27	Tier 1	0-9	3.31	\$6.16	6.90	7.24	7.39	7.54
28	Tier 2	>9-15	5.08	6.44	7.21	7.57	7.72	7.88
29	Tier 3	>15	6.05	6.10	6.83	7.17	7.32	7.46
30								
31	P&G		4.47	4.07	4.56	4.79	4.88	4.98
32	Construction		4.47	6.19	6.93	7.28	7.43	7.57

1

CA. Low Income Household Water Assistance Program (LIWAP)

For income-eligible
wastewater and
water customers



One-time bill payment
up to \$2,000 to help
customers pay their past
due water and
wastewater account

2

Project Assist

For income-eligible
solid waste,
wastewater and
water customers



\$15 per month
discount on utility bill



Scenario 1 (Recommended)

Bill Impacts (for average customer use in each class with the most common meter size)

Customer Class	Current Bill	Proposed Bill	\$ Change	% Change
SFR	\$50.39	\$62.68	\$12.29	24.4%
MFR (2 Dwelling Units, 1" Meter)	\$91.41	\$108.83	\$17.42	19.1%
Commercial <=2"	\$131.34	\$183.73	\$52.39	39.9%
Commercial >= 3"	\$2,008.19	\$2,183.39	\$175.20	8.7%
Industrial/City <=2"	\$165.90	\$232.46	\$66.56	40.1%
Industrial >= 3"	\$7,231.34	\$7,971.36	\$740.02	10.2%
City >= 3"	\$966.68	\$1,059.10	\$92.42	9.6%
Irrigation <=2"	\$295.11	\$317.01	\$21.90	7.4%
Irrigation >= 3"	\$2,445.44	\$2,350.58	-\$94.86	-3.9%
Oceanview Commercial	\$30.53	\$37.42	\$6.89	22.6%
P&G	\$273,445.07	\$254,679.46	-\$18,765.62	-6.9%
Construction	\$1,826.90	\$1,930.25	\$103.35	5.7%

Scenario 2

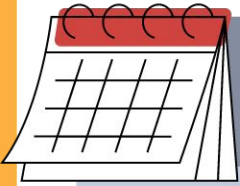
Bill Impacts (for average customer use in each class with the most common meter size)

Customer Class	Current Bill	Proposed Bill	\$ Change	% Change
SFR	\$50.39	\$68.11	\$17.72	35.2%
MFR (2 Dwelling Units, 1" Meter)	\$91.41	\$118.72	\$27.31	29.9%
Commercial <=2"	\$131.34	\$197.62	\$66.28	50.5%
Commercial >= 3"	\$2,008.19	\$2,374.44	\$366.25	18.2%
Industrial/City <=2"	\$165.90	\$254.27	\$88.37	53.3%
Industrial >= 3"	\$7,231.34	\$8,668.08	\$1,436.74	19.9%
City >= 3"	\$966.68	\$1,159.77	\$193.09	20.0%
Irrigation <=2"	\$295.11	\$348.80	\$53.69	18.2%
Irrigation >= 3"	\$2,445.44	\$2,555.31	\$109.87	4.5%
Oceanview Commercial	\$30.53	\$41.35	\$10.82	35.5%
P&G	\$273,445.07	\$252,442.55	-\$21,002.53	-7.7%
Construction	\$1,826.90	\$2,108.39	\$281.49	15.4%

Scenario 3

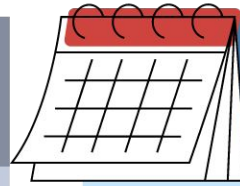
Bill Impacts (for average customer use in each class with the most common meter size)

Customer Class	Current Bill	Proposed Bill	\$ Change	% Change
SFR	\$50.39	\$80.25	\$29.86	59.3%
MFR (2 Dwelling Units, 1" Meter)	\$91.41	\$140.28	\$48.87	53.5%
Commercial <=2"	\$131.34	\$228.84	\$97.50	74.2%
Commercial >= 3"	\$2,008.19	\$2,795.97	\$787.78	39.2%
Industrial/City <=2"	\$165.90	\$302.29	\$136.39	82.2%
Industrial >= 3"	\$7,231.34	\$10,181.38	\$2,950.04	40.8%
City >= 3"	\$966.68	\$1,378.22	\$411.54	42.6%
Irrigation <=2"	\$295.11	\$418.12	\$123.01	41.7%
Irrigation >= 3"	\$2,445.44	\$3,007.08	\$561.64	23.0%
Oceanview Commercial	\$30.53	\$50.04	\$19.51	63.9%
P&G	\$273,445.07	\$248,678.50	-\$24,766.57	-9.1%
Construction	\$1,826.90	\$2,495.59	\$668.69	36.6%



EARLY MARCH 2023

Mail Proposition 218 Notices
containing the Proposed Water
Rate Increases to Property
Owners and Ratepayers



MAY 2, 2023

Public Hearing for
Proposed Rates





Questions