

ORDINANCE NO. 3028

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD TO
ESTABLISH WATER RATE AND FEE INCREASES FOR CUSTOMER
USE AND SERVICE FROM THE CITY WATER SERVICE

WHEREAS, Section 22-60 of the Oxnard City Code requires that the City Council establish by ordinance the rates charged for all water supplied by the City; and

WHEREAS, Section 22-60 of the Oxnard City Code provides that the rates charged for water supplied by the City shall be increased by the same percentage that the rates paid by the City to its water supply wholesalers increase; and

WHEREAS, the Water Division of the Public Works Department operates as a self-supporting enterprise fund (Water Fund) that depends upon revenues derived from the sale of water to City customers; and

WHEREAS, on the 18th of July, 2017, the City Council adopted City Ordinance Number 2921, establishing the current rates and charges applicable to City water customers; and

WHEREAS, the City's Public Works Department completed a Cost of Service Study, dated March 2023 (Rate Study). The Rate Study assesses the water utility's operation, maintenance, repair, replacement, and capital improvement program budgets and requirements, through a cost of service analysis and report, which collectively are incorporated into the recommended rates provided in this ordinance, so that the proportional cost of providing water service to the City's customers are allocated appropriately and in conformity with all applicable legal requirements. The Cost of Service Study and all the studies, plans and documents relied upon and incorporated in the Rate Study provide the basis for the rates and charges set forth herein; and

WHEREAS, this ordinance includes provisions for adjustment of rates based on revenue needs, inflation, changes in wholesale water costs and mandatory water shortage conditions; and

WHEREAS The proposed rates displayed as effective beginning July 1, 2023, show the authorized rates applicable July 1, 2023; and

WHEREAS, Public Resources Code Section 21080(b)(8) and Section 15273 of the California Environmental Quality Act (CEQA) Guidelines provide that CEQA does not apply to the establishment or modification of public agency rates and other charges which the public agency finds are intended for certain purposes.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD
DOES HEREBY FIND AS FOLLOWS:**

1. CEQA does not apply to this ordinance because this ordinance establishes, modifies, structures and restructures the City's rates and other charges for the following purposes:
 - a. Meeting the water utility's operating expenses, including employee wages and fringe benefits;
 - b. Purchasing or leasing supplies, equipment, and materials;
 - c. Meeting the Water Fund's financial reserve needs and requirements; and
 - d. Obtaining funds for capital projects necessary to maintain water service within the existing service areas.
2. The basis for the foregoing claim of exemption is found in the Rate Study.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES
ORDAIN AS FOLLOWS:**

Part 1. Incorporation of Recitals. The findings and determinations reflected above are true and correct, and are incorporated by this reference as though fully set forth herein as the cause and foundation for the action taken by and through this Ordinance.

Part 2. Codified Amendment. The City Clerk is directed to request that the publisher of the City Code add thereto the amendments listed in Part 3 through 6 of this Ordinance to Chapter 22, Article III as set forth below.

Part 3. Section 22-60 ("Water Rates") of the Oxnard City Code is hereby amended in its entirety to read as follows:

SEC. 22-60. WATER RATES.

(A) The rates charged for all water supplied by the city shall be established by ordinance of the city council. Each customer receiving water service is liable for payment for such service at the scheduled rates so established.

(B) Pursuant to Cal. Gov't Code, Section 53756, the City may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water and adjustments for inflation, for a period of 5 years. The amount of automatic adjustments (Pass-Through Charges) to account for changes in wholesale water costs will be based directly on the incremental difference in costs that the City will incur from every third party water supplier (including but not limited to United Water Conservation District and Calleguas Municipal Water District) as a result of increases or decreases in the amount such water suppliers charge the City. Any such adjustments will only be made if the increases or decreases are not already reflected in the schedule of charges then in effect. The pass-through cost applies only to the volumetric usage charge component of the water used and will be assessed on all volumetric

use in hundred cubic feet (“HCF”) used by a customer. A notice of at least thirty (30) days will be provided to customers before any such adjustment will take effect.

The automatic Pass-Through Charge is calculated as follows:

$$\text{Pass through rate (\$/HCF)} = \frac{\text{Proposed FY Water Purchase Costs} - \text{FY 2022-2023 Water Purchase Costs}}{\text{Calendar Year Water Use}}$$

(C) Annual Revenue Adjustment

Revenue adjustments are not the same as rate increases. The revenue adjustments in the table below depict the overall total increase in rates revenue and correlate to the yearly rate increases found in the Rates and Charges in Sections 22-61 and 22-62.

Revenue Adjustments

July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
9.5%	9.5%	5.0%	5.0%	5.0%

(D) When the city council declares the existence of a water shortage condition pursuant to section 22-154 of the city code, the water rates and charges provided in sections 22-61 through 22-66 of the city code that are based on water use shall be adjusted to reflect the level of severity and corresponding mandatory water conservation percentage reflected in the water shortage condition declaration. For example, if the council declares a Stage 2 water shortage condition with a mandatory water use reduction goal of 20% then the rates provided in sections 22-61 through 22-66 of the city code that are based on water use shall be concurrently adjusted upward by a Drought Rate Calculation Percentage, which is 9.4% for a 20% reduction. This drought rate adjustment may be initiated by Resolution of the City Council after a declaration of water shortage condition. The drought rate adjustment shall terminate as of the date of the termination of that water shortage condition declaration.

(1) The Drought Rate Adjustments, based on the Stage of the Water Shortage Condition are as follows:

Stage 1 Up to 10% = 3.9% Increase
Stage 2 Up to 20% = 9.4% Increase
Stage 3 Up to 30% = 15.4% Increase
Stage 4 Up to 40% = 26.2% Increase

Stage 5 Up to 50% = 35.3% Increase
Stage 6 Up to 60% = 58.7% Increase

Part 4. Section 22-61 of the Oxnard City Code is hereby renamed "Monthly Water Usage Rates, Fees and Charges" and is hereby amended in its entirety to read as follows:

SEC. 22-61. MONTHLY WATER USAGE RATES, FEES AND CHARGES.

The following rates, fees, and charges for water usage and services relating to the water system of the city are established and effective during the dates indicated, as follows:

(A) Monthly Rates for Single-Family Residential Water Use:

Tier	Usage in HCF	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
1	0 to 9	\$4.43	\$4.85	\$5.09	\$5.35	\$5.62
2	>9 to 15	\$4.59	\$5.03	\$5.28	\$5.54	\$5.82
3	>15	\$4.85	\$5.31	\$5.58	\$5.86	\$6.15

(B) Monthly Rates For Multi-Family Residential Water Use (per dwelling):

Tier	Usage in HCF (Per Dwelling Unit)	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
1	0 to 8	\$4.42	\$4.84	\$5.08	\$5.34	\$5.60

2	>8	\$4.58	\$5.02	\$5.27	\$5.53	\$5.81
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(C) Monthly Rates for Commercial Water Use:

2" Meters and Below

Tier	Usage in HCF	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
1	0 to 62	\$4.47	\$4.89	\$5.14	\$5.40	\$5.67
2	> 62	\$4.53	\$4.96	\$5.21	\$5.47	\$5.74

3" Meters and Above (Uniform Rate)

Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
\$4.77	\$5.22	\$5.48	\$5.76	\$6.05

(D) Monthly Rates for Industrial/City Water Use:

2" Meters and Below

Tier	Usage in HCF	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
1	0 to 24	\$4.53	\$4.96	\$5.21	\$5.47	\$5.74
2	>24	\$4.75	\$5.20	\$5.46	\$5.73	\$6.02

3" Meters and Above (Industrial Uniform Rate)

Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
\$4.89	\$5.35	\$5.62	\$5.90	\$6.20

3" Meters and Above (City Uniform Rate)

Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
\$4.70	\$5.15	\$5.40	\$5.67	\$5.96

(E) Monthly Rates for Irrigation:

2" Meters and Below

Tier	Usage in HCF	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
1	0 to 24	\$4.47	\$4.89	\$5.14	\$5.40	\$5.67
2	>24	\$4.69	\$5.14	\$5.39	\$5.66	\$5.95

3" Meters and Above (Uniform Rate)

Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027

\$4.76	\$5.21	\$5.47	\$5.75	\$6.03
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(F) Monthly Rates for Commercial, Industrial, and Irrigation Use of Recycled Water in Lieu of Potable:

Tier	Usage in HCF	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
1	Uniform Rate	\$3.60	\$3.94	\$4.14	\$4.35	\$4.57

(G) Monthly Rates for Oceanview Commercial

Tier	Usage In HCF	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
1	0 to 9	\$4.87	\$5.33	\$5.60	\$5.88	\$6.17
2	9 to 15	\$5.04	\$5.52	\$5.79	\$6.08	\$6.39
3	>15	\$4.84	\$5.30	\$5.56	\$5.84	\$6.14

(H) Monthly Rates For Oceanview Agricultural Irrigation, which will be adjusted yearly for cost of service increases to customers over 3” pursuant to the requirements in uncodified ordinance number 2752, section 4(b).

Usage in HCF	Effective September 1, 2021
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Uniform Volumetric Rate per HCF	\$1.16
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(I) Monthly Rates for Metered Construction:

Tier	All Usage	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
1	Uniform Rate	\$4.89	\$5.35	\$5.62	\$5.90	\$6.20

(J) Monthly Rates for Proctor & Gamble

Tier	All Usage	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
1	Uniform Rate	\$4.18	\$4.57	\$4.80	\$5.04	\$5.29

(K) Monthly Rates for Recycled Water by Customer Class

Customer Class	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Irrigation (Golf Course)	\$3.60	\$3.94	\$4.14	\$4.35	\$4.57
Commercial/ Industrial	\$3.60	\$3.94	\$4.14	\$4.35	\$4.57

Part 5. Section 22-62 of the Oxnard City Code is hereby renamed to “Monthly Fixed Water Meter Charges” and is amended in its entirety to read as follows:

SEC. 22-62. MONTHLY FIXED WATER METER CHARGES.

In addition to monthly rates for water use (per HCF) as set forth in section 22-61, all accounts shall pay one of the following monthly meter rates, based on service connection or meter size as follows:

(A) Monthly Fixed Water Meter Charges According to Meter Size:

Meter Size		Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
5/8" or 3/4"		\$22.78	\$24.94	\$26.19	\$27.50	\$28.87
1"		\$33.47	\$36.65	\$38.48	\$40.41	\$42.43
1 1/2"		\$60.20	\$65.92	\$69.21	\$72.68	\$76.31
2"		\$92.27	\$101.04	\$106.09	\$111.39	\$116.96
3"		\$193.84	\$212.25	\$222.87	\$234.01	\$245.71
4"		\$327.49	\$358.60	\$376.53	\$395.36	\$415.13
6"		\$674.96	\$739.08	\$776.04	\$814.84	\$855.58
8"		\$968.98	\$1061.03	\$1114.08	\$1169.79	\$1228.28
10"		\$1557.02	\$1704.94	\$1790.18	\$1879.69	\$1973.68
10"	Proctor & Gamble Only	\$579.29	\$634.33	\$666.04	\$699.35	\$734.31

(B) Monthly Fixed Charges for Fire Service Lines:

Fire Protection – Connection Size	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
¾”	\$4.79	\$5.25	\$5.51	\$5.78	\$6.07
1”	\$4.97	\$5.44	\$5.71	\$6.00	\$6.30
1 ½”	\$5.62	\$6.15	\$6.46	\$6.78	\$7.12
2	\$6.73	\$7.37	\$7.74	\$8.12	\$8.53
3	\$10.72	\$11.74	\$12.33	\$12.94	\$13.59
4	\$17.62	\$19.29	\$20.26	\$21.27	\$22.34
6	\$42.35	\$46.37	\$48.69	\$51.13	\$53.68
8	\$85.01	\$93.09	\$97.74	\$102.63	\$107.76
10	\$149.18	\$163.35	\$171.52	\$180.10	\$189.10

(C) Monthly Charges for Recycled Water Meters:

Meter Size	Effective July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
4”	\$327.49	\$358.60	\$376.53	\$395.36	\$415.13
6”	\$674.96	\$739.08	\$776.04	\$814.84	\$855.58
8”	\$968.98	\$1061.03	\$1114.08	\$1169.79	\$1228.28

12"	\$2,305.43	\$2,524.45	\$2,650.67	\$2,783.20	\$2,922.36
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(D) Monthly fixed rates for non-metered construction:

Meter Size	Effective Sept. 1, 2017
¾"	\$36.86
1"	\$67.93
1 ½"	\$156.77
2"	\$295.26

(E) Monthly fixed rates for metered construction:

Meter Size	Effective Sept. 1, 2017
1"	\$22.53
2"	\$147.47

Part 6. Section 22-63 ("Special Water Services") of the Oxnard City Code is herein amended in its entirety to read as follows:

SEC. 22-63. SPECIAL WATER SERVICES.

Each customer shall pay the following fees, according to the service received.

(A) Effective July 1, 2023. Where meters are not installed, water services shall be paid at the rate and or fee as set forth in sections 22-61 and 22-62 of this Article, for each dwelling facility, business activity, construction site, or service, whether or not such facility, activity, site or service is at the same location. Any unmetered service shall be temporary and limited to the shortest duration practical.

(B) Service to the city.

(1) The city shall pay for all installation services furnished to the city at the rates established by this Article. However, the Water Division shall be exempt from paying for installation service.

(2) The city shall pay for all water furnished to the city at the rates established by this Article. However, the Water Division and the Fire Department shall be exempt from paying for water provided to them.

(3) All water furnished to property owned by the city shall be metered.

(E) Temporary agricultural use. The city may provide water on a temporary basis for agricultural purposes in accordance with section 22-66 of the city code. Monthly water rates for temporary agricultural purposes shall be the same as commercial/industrial recycled water rates or commercial potable water rates.

(F) Broken locks. In the event a customer breaks a lock placed on the water meter, in addition to all other amounts due, the customer shall pay a fee of \$12 to replace the broken lock.

(G) Billing and collection; delinquent bills; nonpayment. The customer shall pay a fee of \$15 for each visit to a customer's property to collect a water bill that is delinquent. If water service is discontinued due to nonpayment or non-compliance with the city code or this section, in addition to all other amounts due, the customer shall pay a fee of \$80 for resuming service.

(H) Billing procedure for periodic charge for city water service. Water service bills shall be computed according to the rates then in effect and the number of days in the service period at each rate.

Part 7. The provisions of this ordinance shall be applicable to all service provided or charges incurred on and after July 1, 2023.

Part 8. If any term or portion of this ordinance is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this ordinance shall continue in full force and effect. Where that is the case, the City Council intends that the provisions of Ordinance No. 2921 that would have been repealed by this ordinance shall remain in effect as if this ordinance had not been adopted.

Part 9. The City Council exercises its independent judgment and made findings herein above, that this ordinance is not subject to CEQA pursuant to Public Resources Code section 21080(b)(8) and 21083 in conjunction with California Code of Regulations, Title 14, Chapter 3, section 15273 (CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency makes appropriate findings pursuant to this section), because the activity is covered by the general rule that CEQA applies only to projects that will have a significant effect on the environment. There is no possibility that the passage of this ordinance will have a significant effect on the environment and adoption of this ordinance is exempt from CEQA.

Part 10. Pursuant to Government Code Section 36933(c)(1), the City Attorney was designated to prepare, and the City Clerk published, a summary of this ordinance, and a certified copy of the ordinance was posted in the Office of the City Clerk a minimum of five (5) days before the City Council's adoption of the ordinance.

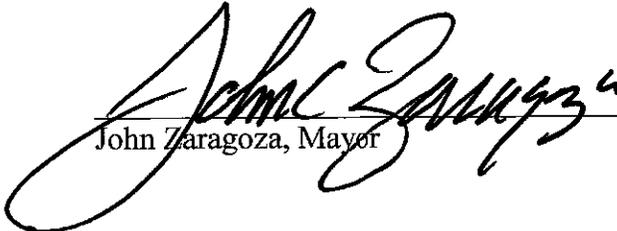
Part 11. The City Clerk shall certify as to the adoption of this ordinance and shall cause the summary thereof to be published within fifteen (15) calendar days of the adoption and shall post a certified copy of this ordinance, including the vote for and against the same, in the office of the City Clerk, in accordance with Government Code Section 36933. Ordinance No. 3028 was first read on May 2, 2023, finally adopted on May 16, 2023 to become effective on July 1, 2023.

AYES: Councilmembers Basua, Madrigal, Perello, Teran, Valenzuela, Zaragoza

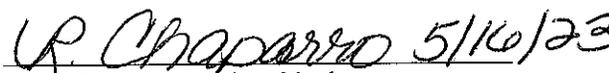
NOES: None

ABSENT: Councilmember MacDonald

ABSTAIN: None


John Zaragoza, Mayor

ATTEST:


Rose Chaparro, City Clerk

APPROVED AS TO FORM:


Stephen M. Fischer, City Attorney