CITY COUNCIL OF THE CITY OF OXNARD

ORDINANCE NO. 2917

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ESTABLISHING NEW WASTEWATER SYSTEM USER FEES AND CHARGES

WHEREAS, the regulations of the federal Environmental Protection Agency (EPA) and the California State Water Resources Control Board (SWRCB) Revenue Program Guidelines require that the wastewater service charges of the City of Oxnard (City) conform to grant specifications for fair and equitable user fees;

WHEREAS, the EPA and SWRCB revenue programs require the City to conduct periodic rate adjustment studies and to implement the recommendations thereof, to keep municipal wastewater services on a self-supporting basis;

WHEREAS, pursuant to Chapter 19 of the Oxnard City Code, Ordinance No. 2860 was adopted the 18th of September, 2012, to set forth the City's wastewater system fees, charges, and user rates in accordance with the provisions of the City Code and EPA/SWRCB guidelines;

WHEREAS, the City's Public Works Department prepared a Cost of Services Study in 2015 (2015 Rate Study). The 2015 Rate Study assessed the Wastewater Enterprise operation, maintenance, repair, replacement, and capital improvement program budgets and requirements, which collectively were incorporated into the recommended rates of Ordinance No. 2901, so that the proportional cost of providing wastewater treatment and disposal service to the City's various customer classes were allocated consistently with all applicable legal requirements. The 2015 Rate Study and all the studies, plans and documents relied upon and incorporated in the 2015 Rate Study provided the basis for the rates and charges set forth in Ordinance No. 2901;

WHEREAS, Ordinance No. 2901 reflected the 2015 Rate Study to provide updated supplemental fees and charges for certain special services available upon request throughout the City;

WHEREAS, pursuant to Chapter 19 of the Oxnard City Code, Ordinance No. 2901 was adopted the 26th of January, 2016, to set forth the City's wastewater system fees, charges, and user rates in accordance with the provisions of the City Code and EPA/SWRCB guidelines;

WHEREAS, Measure M, which intended to repeal Ordinance No. 2901, passed at the November 2016 elections;

WHEREAS, the City's Public Works Department prepared a Cost of Services Study recently (2017 Rate Study). The 2017 Rate Study assesses the Wastewater Enterprise operation, maintenance, repair, replacement, and capital improvement program budgets and requirements, which collectively are incorporated into the recommended rates provided in this ordinance, so that the proportional cost of providing wastewater treatment and disposal service to the City's various customer classes are allocated consistently with all applicable legal requirements. The 2017 Rate Study and all the studies, plans and documents relied upon and incorporated in the 2017 Rate Study provide the basis for the rates and charges set forth herein;

WHEREAS, this ordinance reflects the 2017 Rate Study to provide updated supplemental fees and charges for certain special services available upon request throughout the City;

WHEREAS, notice was sent by mail to all property owners and wastewater utility ratepayers on March 30, 2017, which meets the legal requirement of sending notice at least 45 days before the public protest hearing;

WHEREAS, this ordinance includes a provision for the automatic adjustment of rates based on changes in certain third-party costs if these exceed the projection in the Cost of Service Study. The proposed rates displayed as effective beginning July 1, 2017, show the pre-authorized rates applicable July 1, 2017. However, the actual rates effective July 1, 2017, may vary based on the implementation of any automatic rate adjustments as may be authorized in any prior ordinance before the effective date of this ordinance; 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 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. The adoption of this ordinance is exempt from CEQA because the fees adopted herein are for the following purposes:

    a. Meeting operating expenses, including the increased cost of chemicals and energy sources, biosolids management, more stringent regulatory requirements, debt service, and Wastewater Division employee wages and fringe benefits; and

    b. Purchasing and leasing supplies, equipment, and materials associated with the provision of wastewater service; and

    c. Meeting financial reserve needs and requirements; and

    d. Obtaining funds for capital projects necessary to maintain wastewater service within the City service area, including repair and replacement of the extensive collection and disposal systems and treatment plant; and

    e. Obtaining funds necessary to maintain those intracity transfers as are authorized.

2. The basis for the foregoing claim of exemption is found in the 2017 Rate Study.

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NOW, THEREFORE, the City Council of the City of Oxnard does ordain as follows:

Part 1. Section 19-133 is added to Division 11 of Article I of Chapter 19 and shall state as follows:

"SEC. 19-133. WASTEWATER RATES.

(A) The rates charged for all wastewater collected by the City shall be established by ordinance of the City Council. Each customer receiving wastewater service is liable for payment for such service at the rates so established.

(B) Pursuant to Government Code section 53756, and after notice is provided as required by law, the adopted rates shall automatically adjust over a five-year period for inflation in the cost of operating the City's wastewater system. If the actual inflation in natural gas and electricity rates paid by the City since the effective date of the rates exceeds the Rate Study's cumulative forecast for inflation in utility costs for that same period, the rates will be automatically adjusted to recover the difference between the two. For example, if in year three of these rates the actual inflation in natural gas and electricity rates paid by the City since the effective date of the rates is 8.75 percent and the Rate Model estimates a cumulative increase of 7.5 percent over that same time period, then the inflation adjustment for that year would be 1.25 percent. On the other hand, if the actual inflation in natural gas and utility rates for this example time period is 7.5 percent, then no inflation adjustment would be made for that year as the actual inflation would equal the estimated inflation in the Rate Model. The City shall issue the adjustments no more than once per calendar year, and these adjustments will be effective at least 60 calendar days thereafter.

(C) When the City Council declares the existence of a water shortage condition pursuant to City Code Section 22-154, the wastewater treatment rates and charges provided herein 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 herein that are based on water use, shall be concurrently adjusted upward by the same percentage – 20%. This adjustment shall be initiated as of the effective date of the water shortage declaration and terminate as of the date of the termination of that water shortage declaration."

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Part 2. Section 19-134 is added to Division 11 of Article I of Chapter 19 and shall state as follows:

"SEC. 19-134. FEES AND CHARGES.

The fees, charges and rates set forth below shall be charged and collected for the use of and for other privileges and services relating to the Regional Wastewater Treatment System of the City of Oxnard:

(A) [reserved]

(B) City of Oxnard User Charge for Wastewater System

The rate for City user classes or individual users of the wastewater system shall be calculated by the "City of Oxnard User Charge Formula" (the Oxnard Formula) as follows:

$$OMUC = p\,(Vm) + q\,(Bm) + r\,(Sm)$$

Where:
OMUC = Oxnard monthly user charge in dollars
Vm = monthly wastewater discharge in millions of gallons
Bm = monthly BOD discharge in thousands of pounds
Sm = monthly SS discharge in thousands of pounds

p, q and r are unit cost coefficients established as follows:

Service		Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
Monthly Wastewater Discharge/Millions of Gallons	p =	$3,061.50	$3,222.23	$3,391.40	$3,569.45	$3,756.85
Monthly BOD Discharge/Thousands of Pounds	q =	$697.59	$734.22	$772.77	$813.35	$856.06
Monthly SS Discharge/Thousands of Pounds	r =	$551.70	$580.67	$611.16	$643.25	$677.03

(1) Formula Users (Industrial & Commercial)

The monthly user charge for formula users shall be calculated using the Oxnard Formula. Industrial and commercial users billed by Oxnard Formula shall be those so designated by the Public Works Director. For those formula users that do not provide metered wastewater flow data, the wastewater flow shall be assumed to be 90% of water consumed. For those users that provide engineering data acceptable to the Public Works Director showing a different percentage, the wastewater flows will be based on that data.

(2) Non-Formula Users (Industrial, Commercial & Governmental)

The monthly user charge for non-residential users of the system that are not classified as formula users by the Public Works Director shall be as follows. The rate per hundred cubic feet (HCF) of water used is based on the assumption that a percent of the water consumed is returned to the wastewater system. The applicable percentage differs based on customer class. The percentage return is included for each customer class in the tables below. The Public Works Director shall have the authority to review the water consumption of any metered user of the wastewater system and to adjust the rate based on the average water consumption over a reasonable period of time:

(a) Commercial/School Wastewater Use (Percentage Wastewater Return = 85%):

Tier	Usage	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
1	0 to 50 HCF/Month	$3.49	$3.68	$3.88	$4.09	$4.31
2	> 50 to 930 HCF/Month	$4.36	$4.59	$4.84	$5.10	$5.37
3	> 930 HCF/Month	$8.72	$9.18	$9.67	$10.18	$10.72

(b) Restaurant Wastewater Use (Percentage Wastewater Return = 80%):

Tier	Usage	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
1	0 to 20 HCF/Month	$3.49	$3.68	$3.88	$4.09	$4.31
2	> 20 to 160 HCF/Month	$4.36	$4.59	$4.84	$5.10	$5.37
3	> 160 HCF/Month	$8.72	$9.18	$9.67	$10.18	$10.72

(c) Laundry/Laundromat Wastewater Use (Percentage Wastewater Return = 90%):

Tier	Usage	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
1	0 to 105 HCF/Month	$3.49	$3.68	$3.88	$4.09	$4.31
2	> 105 to 525 HCF/Month	$3.86	$4.07	$4.29	$4.52	$4.76
3	> 525 HCF/Month	$4.81	$5.07	$5.34	$5.63	$5.93

(3) Non-Formula Users - Residential

Residential wastewater service is deemed to begin when water service begins. Monthly residential user charges by type of dwelling units are as follows. The rate per hundred cubic feet

(HCF) of water used is based on the assumption that a percentage of the water consumed is returned to the wastewater system. The applicable percentage differs based on customer class. The percentage return is included for each customer class in the tables below. The Public Works Director shall have the authority to review the water consumption of any metered user of the wastewater system and to adjust the rate based on the average water consumption over a reasonable period of time:

(a) Single Family Residential Wastewater Use (Percentage Wastewater Return = 80%):

Tier	Usage	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
1	0 to 9 HCF/Month	$1.95	$2.06	$2.17	$2.29	$2.42
2	> 9 to 18 HCF/Month	$2.17	$2.29	$2.42	$2.55	$2.69
3	> 18 HCF/Month	$3.03	$3.19	$3.36	$3.54	$3.73

(b) Single Family Residential Wastewater Use; Large Lots (lot size of over 7,000 square feet) (Percentage Wastewater Return = 60%):

Tier	Usage	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
1	0 to 16 HCF/Month	$1.95	$2.06	$2.17	$2.29	$2.42
2	> 16 to 25 HCF/Month	$2.17	$2.29	$2.42	$2.55	$2.69
3	> 25 HCF/Month	$3.03	$3.19	$3.36	$3.54	$3.73

(c) Multi-Family, Multi-Unit Residential Wastewater Use (Percentage Wastewater Return = 90%). Tiers for Multi-Family and Multi-Unit Residential are variable and are determined by multiplying each tier allotment by the number of dwelling units:

Tier	Usage	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
1	0 to 6 HCF/Month	$1.58	$1.67	$1.76	$1.86	$1.96
2	> 6 to 12 HCF/Month	$1.77	$1.87	$1.97	$2.08	$2.19
3	> 12 HCF/Month	$2.47	$2.60	$2.74	$2.89	$3.05

(4) Monthly Base Rates

In addition to monthly rates based on water use (per HCF) as set forth above, the following customer classes shall pay monthly meter rates:

Service		Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
Single Family		$29.95	$31.53	$33.19	$34.94	$36.78
Multi-family/Unit:	1 to 6 Units	$21.91	$23.07	$24.29	$25.57	$26.92
	7+ Units	$10.92	$11.50	$12.11	$12.75	$13.42

(5) Minimum Monthly Fees

The following customer classes shall pay the greater of the applicable monthly rates set forth in the table below, or the monthly rates based on the actual water use (per HCF) as set forth above:

Service	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
Commercial	$19.90	$20.95	$22.05	$23.21	$24.43
Restaurant	$18.46	$19.43	$20.46	$21.54	$22.68
Laundry/Laundromat	$91.57	$96.38	$101.44	$106.77	$112.38
School	$69.85	$73.52	$77.38	$81.45	$85.73

(6) Non-metered Water Users

Except as provided in subsection B3 for residential water users, other non-metered water users, including commercial and industrial users, shall pay a monthly rate as determined by the Public Works Director based upon the monthly rate charged a metered water user of comparable size and character of use, provided, however, that the minimum monthly charge shall be the same as that charged for a multi-family dwelling unit. In lieu of specifically calculated rates, non-metered customers will be charged the following:

Service	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
Non-Metered Customers	$51.42	$54.12	$56.97	$59.97	$63.12

(7) Wastewater System Rate for Wastewater Treated by Another Agency

Where wastewater is collected by the City and is accepted by another agency for transmission, treatment and disposal, the monthly wastewater rates shall be equal to the rate charged by such agency for transmission, treatment and disposal of such wastewater, anything to the contrary herein notwithstanding.

(8) Additional Charges for Outside the City Users of City Wastewater System

Those outside the City users of the Las Posas sewer line shall be charged a monthly rate for wastewater service as follows. Wastewater service is deemed to begin when water service begins. The rate per hundred cubic feet (HCF) of water used is based on the assumption that 85 percent of commercial and 60 percent of residential water consumed is returned to the wastewater system. The Public Works Director shall have the right to review the water consumption of any metered user of the wastewater system and to adjust the rate based on the average water consumption over a reasonable period of time:

(a) Monthly Rates for User Charge Formula – Outside City

Service	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
Single Family Residential per	$79.72	$83.32	$87.04	$90.96	$95.11
Multi-family Residential per	$55.66	$58.18	$60.79	$63.55	$66.38

(b) Monthly Rates for Las Posas Commercial/Institutional Wastewater Use

Tier	Service	Effective July 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
1	0 to 50 HCF/Month	$6.57	$6.87	$7.17	$7.48	$7.81
2	> 50 to 930 HCF/Month	$8.21	$8.56	$8.94	$9.33	$9.73
3	> 930 HCF/Month	$16.42	$17.12	$17.86	$18.62	$19.43

(C) Industrial and Liquid Waste Sampling, Analysis and Flow Measurement

Dischargers whose wastewater charges are individually calculated using the Oxnard Formula shall be responsible for costs of required sampling, analysis and flow measurement associated therewith as provided in Chapter 19 of the Oxnard City Code. If sampling, analysis and flow data are not provided to the City as required, the Public Works Director shall cause monitoring to be performed or an estimate made to enable charges to be rendered. The discharger shall be billed for these extra costs.

(D) Charges for Unusual or Non-Compatible Wastewater

A charge for unusual or non-compatible waste constituents of such quality or character as to impose upon the City unusual operation and/or maintenance or capital costs whether or not related to total flow volume, biochemical oxygen demand, or suspended solids, shall be set by the Public Works Director and paid by the discharger. These charges shall be reasonably calculated to defray costs attributable to such wastes.

(E) Fee for Appeal

For each appeal to the City Council of a ruling by the Public Works Director a fee of $100 will be charged.

(F) Industrial Wastewater Discharge Permits

The Industrial Wastewater Discharge Permits (permit) specified in Chapter 19 of the Oxnard City Code shall be granted for a specific time period, not to exceed five years. Application for permit and permit renewal shall be made in accordance with Chapter 19. All users classified as significant industrial wastewater users according to Chapter 19 shall be assessed a fee of $2,500 per year per permit. All other industrial users shall be assessed a fee of $100 per year per permit. In addition to the permit fee, new applicants for a permit shall be assessed a one time new application processing fee of $100.

(G) Billing Procedure for Monthly Service Charge for Use of City Wastewater System

Bills shall be computed according to the rates then in effect and the number of days in the service period at each rate."

Part 3. The provisions of this ordinance shall be applicable to all service provided or charges incurred on and after July 1, 2017.

Part 4. Upon the effective date of this ordinance, Ordinance No. 2860, if not already repealed, is repealed. Likewise, upon the effective date of this ordinance, Ordinance No. 2901 is repealed.

Part 5. If for any reason this ordinance is held invalid or unenforceable, the City Council intends that the ordinance provisions which would have been repealed by this ordinance shall remain in effect as if this ordinance had not been adopted.

Part 6. 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 days before the City Council's adoption of the ordinance.

Part 7. The City Clerk shall certify as to the adoption of this ordinance and shall cause the summary thereof to be published within fifteen calendar (15) 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. 2917 was first read on May 16, 2017, finally adopted on May 23, 2017, to become effective thirty (30) days thereafter.

[Continued]

APPROVED AND ADOPTED this 23rd day of May, 2017, by the following vote:

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

NOES: None.

ABSENT: None.

ABSTAIN: None.

Tim Flynn

Tim Flynn, Mayor

ATTEST:

Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney