

CITY COUNCIL OF THE CITY OF OXNARD

UNCODIFIED ORDINANCE NO. 2752

UNCODIFIED ORDINANCE ESTABLISHING FEES AND CHARGES FOR THE
PROVISION OF WATER SERVICE TO THE FORMER OCEAN VIEW MUNICIPAL
WATER DISTRICT SERVICE AREA

WHEREAS, the City of Oxnard ("City") is a general law city in Ventura County ("County"), California; and

WHEREAS, the City operates a municipal water system providing retail potable water service to the local community; and

WHEREAS, the Ocean View Municipal Water District ("District") is a municipal water district as set forth in Sections 71000 et seq. of the Water Code; and

WHEREAS, the District currently supplies water to customers within and adjacent to the City's southern boundaries and sphere of influence ("Ocean View Service Area"); and

WHEREAS, concurrent with the adoption of this uncodified ordinance, the City Council intends to submit a request to initiate proceedings before the Ventura County Local Agency Formation Commission to dissolve the District and authorize the City to provide direct water service to the customers in the former Ocean View Service Area; and

WHEREAS, the City Council expects the District Board of Directors will unanimously support the request to dissolve the District and authorize the City to provide direct water service to the former Ocean View Service Area; and

WHEREAS, over 98% of the water served to the Ocean View Service Area is used for irrigation of agricultural lands; the remainder for incidental domestic uses associated with the agricultural uses; and

WHEREAS, the City is authorized to provide retail water service to areas outside its municipal boundaries (see Gov't Code section 56133(e); *Hansen v. City of Buenaventura* (1986) 26 Cal.3d 154); and

WHEREAS, the City Water Resources Division is funded through and fully dependent upon revenues derived from providing retail water service to its customers; and

WHEREAS, the District obtains its sole water supply source through wholesale purchase of water from the City and the District owns no assets, has no employees or any personnel; and

WHEREAS, the water supplies sold to the District are derived from a portion of the City's potable water supplies purchased from the United Water Conservation District ("United") through the Oxnard/Hueneme Pipeline, pursuant to the "Water Supply Agreement for the Delivery of Water Through the Oxnard/Hueneme Pipeline" ("OH Agreement"), dated July 1, 1996, and as amended from time to time; and

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WHEREAS, the City also purchases a portion of its potable water supplies from the Calleguas Municipal Water District (“Calleguas”) and the Metropolitan Water District of Southern California (“MWD”), and

WHEREAS, only those City water customers annexed into Calleguas and MWD service areas are eligible to receive Calleguas and MWD water supplies and most, if not all of the District lands are not currently annexed into the Calleguas and MWD service areas; and

WHEREAS, water users (former District customers) intended to receive water service pursuant to the provisions of this uncodified ordinance will not receive water originally purchased from Calleguas or MWD without first being annexed into the Calleguas and MWD service areas; and

WHEREAS, this uncodified ordinance does not contemplate or promote the annexation of any portion of the Ocean View Service Area not currently within the Calleguas or MWD boundaries to be annexed into those areas; and

WHEREAS, the District is subject to a Ventura County Superior Court judgment (“Judgment”), arising out of Case No. 127099, *City of Oxnard v. Ocean View Municipal Water District*, dated October 5, 1993; and

WHEREAS, the City is developing an advanced treatment recycled water program commonly referred to as the Groundwater Recovery, Enhancement, and Treatment Program (“GREAT Program”) and the City intends to serve recycled water from the GREAT Program to agricultural users, including former District customers, for non-potable uses; and

WHEREAS, the O/H Agreement, the Judgment, the Recycled Water Master Plan, the GREAT Program Environmental Impact Report, and the Great Program Feasibility Study form the basis for the rates and charges set forth herein; and

WHEREAS, section 15061, paragraph (b)(3), of the California Environmental Quality Act (“CEQA”) Guidelines provides that a project is exempt from CEQA if “the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect to the environment;” and

WHEREAS, this uncodified ordinance and the associated dissolution of the District does not result in any changes to existing facilities or the current quantity of water available to the Ocean View Service Area and thus, does not create the potential for causing any significant effect to the environment; and

WHEREAS, this action is statutorily exempt from CEQA under Guidelines Section 15261 because the facilities used to provide water service to the Ocean View Service Area have been in operation since before November 23, 1970; the OH Pipeline has been in operation since 1954 and the Ocean View Pipeline since 1961; and

WHEREAS, CEQA Guidelines section 15273 provides a statutory exemption from CEQA for those actions that only involve the establishment, modification, structuring, restructuring, or approval of public agency water rates and other charges that the public agency finds are intended for certain water service purposes, which do not involve rate increases to fund capital improvements for the expansion of the water system.

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

1. The adoption of this uncodified ordinance is exempt from CEQA for the following reasons:

a. Section 15061 of the CEQA Guidelines exempts projects which have no potential for resulting in a physical change in the environment:

(1.) The substitution of the City of Oxnard for the Ocean View Municipal Water District as the retail water supplier for the Ocean View Service Area will involve no change in physical infrastructure and thus shall have no potential for causing a significant effect to the environment, directly or ultimately; and

(2.) The dissolution of the Ocean View Municipal Water District and the substitution of water service from the City of Oxnard shall not be deemed or considered to be approval of any particular land use project which may be undertaken in the future; nor shall it be deemed to exempt from CEQA review any projects that may be undertaken involving water facilities used or useful in providing water service to the Ocean View Service Area.

b. CEQA Guidelines section 15273 exempts from CEQA the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the following purposes. The City Council hereby finds the rates and charges imposed on former Ocean View Service Area customers, in whole or in part, are for the following purposes:

(1.) Meeting operating expenses, including the increased cost of water supplies, and Water Resources Division employee wages and fringe benefits;

(2.) Purchasing and leasing supplies, equipment, and materials associated with the provision of water service;

(3.) Meeting financial reserve needs and requirements; and

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- (4.) Obtaining funds for capital projects necessary to maintain water service within the City service area and the Ocean View Service Area, including, but not limited to, cast-iron pipe replacement, water quality treatment upgrades, fire hydrant upgrades, hydraulic improvements to the existing system, control system improvements, and groundwater well rehabilitation, none of which expands the water system.
- c. CEQA Guidelines section 15261 exempts from CEQA projects being carried out that were approved prior to November 23, 1970. This exemption applies because:
- (1.) There are no new facilities needed to continue to provide water service to the Ocean View Service Area; and
 - (2.) The existing facilities used to provide water service were all constructed and in operation prior to November 23, 1970.

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

Article I. WATER SERVICE TO THE FORMER OCEAN VIEW SERVICE AREA

Section 1. Short title.

This article shall be known and cited as the Ocean View Service Area Ordinance.

Section 2. Policy and Purpose.

The purpose of this Article I, sections 1-5 inclusive is to set forth the terms, rates, and charges upon which the city will provide water service within the Ocean View Service Area, upon the dissolution of the District. This ordinance and the provisions of this Article I shall not apply to those current or future customers receiving city water service that: a) are annexed into the Calleguas Municipal Water District, Metropolitan Municipal Water District of Southern California service areas, and b) are capable of receiving city water supplies that include water purchased from the Calleguas Municipal Water District. For the purpose of this ordinance, the Ocean View Service Area is that area depicted on the map on file with the City Clerk showing the boundaries of the Ocean View Municipal Water District immediately prior to its dissolution.

Section 3. Terms and Conditions of Service.

Except as expressly provided otherwise in this Article I, all terms and conditions of water service contained in the Oxnard City Code that are applicable to city customers shall also apply to the service of water to existing or prospective customers within the Ocean View Service Area.

Section 4. Rates and charges for city water service to the Ocean View Service Area.

(a) Monthly water use rates; small meter connections.

Each customer obtaining water through a water meter 2 inches or smaller shall pay the monthly rate for water use (per hundred cubic feet (HCF)) as set for in Oxnard City Code, Chapter 22, Article III, section 22-61(a) as provided for single family residential use.

(b) Monthly water use rates; large meter connections.

Each customer obtaining water through a meter 3 inches or larger shall pay monthly the following rate per acre foot of water delivered, or any part thereof, comprising the total of the following charges, as they may exist and be modified from time to time:

Rate Component
OH Agreement Variable Rate
United Freeman Diversion Charge applicable to Zone B agricultural users
United Groundwater Replenishment Charge applicable to OH Pipeline Agricultural users
United Fixed Well Replacement Charge
Fox Canyon Groundwater Management Agency (GMA) groundwater extraction charge
Pro rata portion of the OH Agreement Fixed Cost per unit of Peak Capacity: to be calculated as the product of -- (OH Agreement fixed cost per unit of peak capacity) / (the then existing OH Agreement GMA Extraction Allocation for the City of Oxnard) X 26.75 cubic feet per second (cfs)
Administrative/Overhead Charge equal to 10 percent of the sum of the above charges

The applicable rate at the time of adoption of this uncodified ordinance is calculated as:

$$\begin{aligned}
 & \$312.48/\text{acre foot (af)} = \\
 & \$140.75/\text{af} + \$15.00/\text{af} + \$11.65/\text{af} + \$11.26/\text{af} + \$6.00/\text{af} + \$99.41/\text{af} + \$28.41/\text{af}
 \end{aligned}$$

(c) Monthly meter rates.

In addition to monthly rates for water use (per HCF) as set forth in subsections (a) and (b), all customers shall pay a monthly meter rate, based on meter size as provided in Oxnard City Code, Chapter 22, Article III, section 22-61(b). For all meter sizes 2 inches and smaller, the applicable single family residential rate shall apply. Any existing meter smaller than 3/4-inch shall pay the monthly meter rate applicable to the 3/4-inch meter. For all meter sizes 3 inches and larger, the applicable commercial/industrial rate shall apply.

(d) Line loss surcharge.

- (1.) A significant under-accounting of water use is known to exist on the District system when total individual metered use is compared to the total water delivered into the Ocean View pipeline measured by the master District meter. A line loss percentage surcharge shall be allocated to each customer, calculated by:

100% minus ((the total individual metered deliveries to Ocean View Service Area customers) / (total water delivered into the District pipeline measured by the master Ocean View meter)).

- (2.) Each customer invoice shall be increased by the line loss percentage surcharge. For example, if the line loss percentage surcharge is calculated as 30%, each customer invoice shall be increased by 30% of the calculated monthly use rate (sections (a) or (b) above). This line loss surcharge shall terminate and not apply after December 31, 2008.

(e) Recycled water rates.

Customers using recycled water in lieu of potable water, shall be charged 85% of the then applicable water use rate as provided in subsections (a) or (b) above.

Section 5. Implementation Date. This article shall automatically become effective on the date on which the Ventura County Local Agency Formation Commission approval of the dissolution of the Ocean View Municipal Water District becomes final and effective.

Section 6. Severability. If any provision of this ordinance, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining sections shall not be affected, but shall remain in full force and effect, and to this end the provisions of this ordinance are severable.

Part 2. Within fifteen days after passage, the City Clerk shall cause this ordinance to be published one time in a newspaper of general circulation in the City. Ordinance No. 2752 was read on _____, 2007, and finally adopted on _____, 2007, to become effective as provided in Section 5.

PASSED AND ADOPTED THIS ___ day of _____, 2007 by the following vote:

AYES:

NOES:

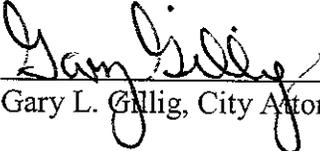
ABSENT:

Dr. Thomas E. Holden, Mayor

ATTEST:

APPROVED AS TO FORM:

Daniel Martinez, City Clerk

 09-11-07

Gary L. Gilling, City Attorney

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