

Date: January 17, 2016

To: Honorable Mayor and Members of the Oxnard City Council (via Email)

From: Ken Ortega  
2441 Redwing Lane  
Oxnard, CA 93036

**Re: Proposed Utility Rate Increases**

Mr. Mayor and Honorable Councilmembers,

Rate setting is a completed and emotional process, and I have experienced my fair share of it during my tenure overseeing the City of Oxnard utilities programs between 1999 and 2010.

Simply put, my concerns as an Oxnard resident and ratepayer regarding the proposals before you now can be distilled down to a combination of both false operations & maintenance assumptions, and what I assume are unintentional misrepresentations based on misinformation regarding capital investment needs.

The only exception I would make to this otherwise general observation is that I do agree that the Wastewater Enterprise desperately needs additional revenues to adequately meet both its debt service and reserve covenants which was interestingly enough actually identified starting as far back as 2007, but went ignored.

Therefore, my suggestion would be to proceed with the proposed Wastewater Enterprise rate adjustment for **only** the amount (adjustment) necessary to adequately address debt service requirements at this time, and postpone any other actions regarding rate adjustments until such time as the following concerns can be addressed:

1. Can't the proposed Wastewater Enterprise Capital Replacement strategies be better and more cost effectively accomplished/achieved by leveraging more modern wastewater treatment technologies that also reduce footprint requirements (eliminate property acquisition), capitalize on waste-to-energy conversion opportunities, and reduce the need for additional pre-treatment (capital investment) at the Advanced Water Purification Facility (AWPF)?
2. Where are all of the supposed Environmental Resources Enterprise savings that were purported to have been realized through the in-sourcing of what was previously contract Environmental Resources Enterprise Material Recovery Operations? Weren't these huge annual savings supposed to have resulted in the additional revenues necessary to both cover capital reinvestment costs and provide a degree of rate stabilization along the way? Shouldn't the City seriously consider out-sourcing

completely its transfer hauling operations to reduce capital reinvestment needs and labor costs?

3. Why aren't numerous existing Water/Wastewater Enterprise capital investments (including the Automated Meter Reading System, Brackish Water Desalter, Blending Station No. 6, AWWPF and Ferro Pits) being maximized to reduce operating costs, increase revenues, and leverage technology investments designed to increase operational efficiencies and reduce labor costs?

They are many more issues beyond the starting three (3) that I've listed above that I believe deserve some degree of consideration and evaluation before the City Council unilaterally accepts the doom and gloom predictions being put forth and moves in favor of the recommended actions. I would also go so far as to recommend a comprehensive peer-review of both City staff and Consultants' myriad of capital improvement recommendations, master plans, rate studies, Proposition 218 interpretations, etc., before progressing any further at this time.

Finally, while I am unable to attend your scheduled Public Hearing next week, I wanted to add my voice and opinions (in writing) to the public debate and conversation.

Respectfully submitted for your review and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Ortega', with a stylized flourish at the end.

Ken Ortega, Concerned Oxnard Resident and Ratepayer