



OROVILLE CITY COUNCIL

Council Chambers
1735 Montgomery Street
Oroville, CA. 95965

**February 05, 2019
SPECIAL MEETING
OPEN SESSION 5:50 PM
AGENDA**

CALL TO ORDER

ROLL CALL

Council Members: David Pitman, Eric Smith, Linda Draper, Art Hatley, Janet Goodson, Vice Mayor Scott Thomson, Mayor Chuck Reynolds

PLEDGE OF ALLEGIANCE

SPECIAL BUSINESS - ACTION CALENDAR

1. **A RESOLUTION IN OPPOSITION TO THE WATER RATE INCREASE REQUESTED BY CAL WATER**

The Council may consider a resolution in opposition to the water rate increase requested by Cal Water for Cal Water customers in Oroville.

RECOMMENDATION

Adopt Resolution No. 8766 – A RESOLUTION OF THE OROVILLE CITY COUNCIL IN OPPOSITION TO THE WATER RATE INCREASE REQUESTED BY CAL WATER FOR CAL WATER CUSTOMERS IN OROVILLE.

ADJOURNMENT

Accommodating Those Individuals with Special Needs – In compliance with the Americans with Disabilities Act, the City of Oroville encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at City Hall, 1735 Montgomery Street, Oroville, California.

Recordings - All meetings are recorded and broadcast live on cityoforoville.org and YouTube.

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND COUNCIL MEMBERS

FROM: TOM LANDO, ACTING CITY ADMINISTRATOR

RE: A RESOLUTION OF THE OROVILLE CITY COUNCIL IN OPPOSITION TO THE WATER RATE INCREASE REQUESTED BY CAL WATER FOR CAL WATER CUSTOMERS IN OROVILLE

DATE: FEBRUARY 5, 2019

SUMMARY

The Council may consider a resolution in opposition to the water rate increase requested by Cal Water for Cal Water customers in Oroville.

DISCUSSION

The City has received a “Notice of Public Participation Hearing” related to Cal Water’s request to increase water rates. The Public Participation Hearing will occur on February 14, 2019 at 6:00 p.m. at Oroville City Hall. Cal Water is requesting an increase in residential water rates by 19% and an increase in nonresidential water rates by 12% over the next three years. Specifically, Cal Water is requesting the following increases in its rates:

Proposed Revenue Increases by Type of Service**

<i>Type of Service Provided</i>	<i>2018 Revenue Requirement</i>	<i>Proposed 2020 Revenue Increase</i>		<i>Proposed 2021 Revenue Increase</i>		<i>Proposed 2022 Revenue Increase</i>	
Residential Metered Service	\$2,083,967	\$289,730	14%	\$57,020	2%	\$64,715	3%
Nonresidential Metered Service*	\$3,002,351	\$181,063	6%	\$100,592	3%	\$113,657	3%

The City's residents receive water from three water purveyors: (1) Thermalito Water and Sewer District ("TWSD"); (2) South Feather Water and Power Agency ("South Feather"); and (3) Cal Water. Oroville residents whose homes are served by TWSD or South Feather pay between one-half to one-third the charges of a similarly situated Cal Water customer for similar water usage. Cal Water’s rates for its Chico customers are approximately half of that charged to its Oroville customers

Cal Water's rates have increased by almost 100% in the last 11 years, well above the Consumer Price Index. The system is aging, and many residents feel that the overall maintenance of the system is below the standard that the residents expect.

Staff was requested to place the attached Resolution on the agenda for consideration by the Council.

FISCAL IMPACT

None.

RECOMMENDATION:

1. Adopt Resolution No. 8766 – A RESOLUTION OF THE OROVILLE CITY COUNCIL IN OPPOSITION TO THE WATER RATE INCREASE REQUESTED BY CAL WATER FOR CAL WATER CUSTOMERS IN OROVILLE.

ATTACHMENTS

Resolution No. 8766

**OROVILLE CITY COUNCIL
RESOLUTION NO. 8766**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL IN OPPOSITION TO THE
WATER RATE INCREASE REQUESTED BY CAL WATER
FOR CAL WATER CUSTOMERS IN OROVILLE**

1. WHEREAS, Oroville is a charter city with more than 15,000 residents. The City's residents receive water from three water purveyors: (1) Thermalito Water and Sewer District ("TWSD"); (2) South Feather Water and Power Agency ("South Feather"); and (3) Cal Water; and
2. WHEREAS, the citizens of Oroville are struggling financially, the region continues to experience stagnant economic growth and almost half of Oroville residents live beneath the US poverty level; and
3. WHEREAS, Oroville has experienced a large influx of people seeking short-term shelter and long-term housing from displaced citizens from the Camp Fire which decimated the Town of Paradise; and
4. WHEREAS, Oroville residents whose homes and dwellings are served by TWSD or South Feather pay between one-half to one-third the charges of a similarly situated Cal Water customer for similar water usage; and
5. WHEREAS, Oroville residents who receive water from Cal Water need immediate relief from the current water rates charged by the utility. In short, Oroville residents who receive water from Cal Water simply cannot afford higher water rates; and
6. WHEREAS, Cal Water most recently received a rate increase in 2016; and
7. WHEREAS, Cal Water is requesting a 14% increase in residential water rates next year and a total of 19% over the next three years; and
8. WHEREAS, Cal Water is requesting a 12% increase in non-residential water rates over the next three years; and
9. WHEREAS, Cal Water's rates have increased by almost 100% in the last 11 years, notwithstanding the fact that Cal Water's costs of water, personnel, and other expenses have not increased by the same percentage; and
10. WHEREAS, Cal Water's rate increases for the last decade have increased well above the Consumer Price Index; and

11. WHEREAS, Cal Water's rates for its Chico customers are approximately half of that charged to its Oroville customers; and

12. WHEREAS, water is a precious and necessary resource to sustain life.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Oroville City Council as follows:

1. The City Council formally opposes the rate increase requested by Cal Water for the Oroville Region because it has received rate increases well above the rate of inflation for the last decade; and
2. The City Council requests that the California Public Utilities Commission grant no further rate increases to the Cal Water rates for the Oroville Region for the foreseeable future, until the rates are brought in line with other water purveyors in the Butte County region; and
3. The City Council directs staff to explore alternatives to provide water to the City's residents who currently receive water service from Cal Water.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting held on February 5, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chuck Reynolds, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Tom Lando, Acting City Administrator