

City of Oxnard
City Attorney's Impartial Analysis of Measure "M"

Background: State law authorizes cities to provide sewer services, also known as wastewater services, and to charge rates for such services. By State law, utility rates may not exceed the cost of providing the utility service. The City provides such wastewater services, and in 2015, the City used an expert consultant to conduct a Cost of Services Study, which provided the basis for a five-year schedule of wastewater rates. The rates were intended to produce enough funds to pay the wastewater utility's debts to its bondholders, for recommended facility improvements, and for other operational costs to comply with State public health permit requirements.

The City held community workshops to inform residents of the possible new rates. The City also conducted a public hearing, as required by State law, to obtain the residents' feedback. The City Council adopted the new rates, which took effect in March 2016, and were at or below the rates supported by the Cost of Services Study.

The Measure: Measure "M", if approved by the voters, repeals the City's new wastewater rates and reverts the rates to the levels they were before March 2016. A legal question exists regarding whether an initiative measure can roll back wastewater rates to a point that a utility would not be able to pay its bondholders and fund current maintenance and operational expenses. The validity of Measure "M" is the subject of a lawsuit regarding whether the Measure sets rates too low to cover the costs required by State law. The Court decided that it will not determine these issues until after the election, and the Court would only decide these issues if the Measure passes. Thus, it is possible that the Measure will not take effect even if approved by the voters.

Measure "M" was placed on the ballot by a voter petition and would require a majority of votes to become effective.

A "Yes" vote would rescind the wastewater rate schedule that took effect in March 2016, and the rates would revert to their prior levels.

A "No" vote would maintain the wastewater rate schedule that took effect in March 2016.

The above statement is an impartial analysis of Measure "M". If you desire a copy of the Measure "M", please call the elections official's office at (805) 385-7803 and a copy will be mailed at no cost to you.