



California

ITEM NO. 4

CITY OF OCEANSIDE

MAYOR AND COUNCIL WORKSHOP

OCTOBER 23, 2013

ADJOURNED MEETING 2:00 PM COUNCIL CHAMBERS

**2:00 PM - OCEANSIDE CITY COUNCIL
- WORKSHOP**

Mayor

Jim Wood

Deputy Mayor

Jerry Kern

Councilmembers

Jack Feller
Esther Sanchez
Gary Felien

City Clerk

Zack Beck

Treasurer

Gary Ernst

City Manager

Peter Weiss

City Attorney

John Mullen

The adjourned meeting of the Oceanside City Council was called to order at 2:02 PM, Wednesday, October 23, 2013.

2:00 PM - ROLL CALL

Present were Deputy Mayor Kern and Councilmembers Sanchez, Feller and Felien. Mayor Wood was absent. Also present were City Manager Weiss, City Attorney Mullen and City Clerk Beck, who led the Pledge of Allegiance.

WORKSHOP ITEMS:

1. Presentation on cost of service study and proposed water and sewer rate increases

CARI DALE, Water Utilities Director, stated today's agenda is a little different from what we've looked at in the recent past. It mostly focuses on the cost of service, process, development, why it was done, what was found and, as a result of that, what's being recommended.

ROB GRANTHAM, Carollo Engineering, stated overall the study's objective was to look at the cost of service: are our rates appropriate? We've looked at an alternative rate structure and have our current rate structure. Both comply with Proposition 218, although one provides enhanced equity under Proposition 218.

When we're doing our financial planning, starting with our engineering needs, we look at our costs in buying water and building projects and how we equitably recover those costs from our customers through rates and fees.

Ultimately, what we're after is long-term fiscal health of the water/wastewater utilities. We received bond rating upgrades on both the water and wastewater

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enterprise funds, which is something to be significantly proud of. In terms of the wastewater enterprise, we went up 2 ratings. That is quite an achievement in today's market. Over the last 4 years, we've been able to put ourselves in a long-term strong position to rate fund, pay-as-you-go, our capital rehabilitation program. It's something we heard from Council and have been able to implement.

Part of the overall cost increases are due to the simple increase to wholesale water purchasing costs from the San Diego County Water Authority (SDCWA) and from Metropolitan Water District (MWD), as well as inflationary level operational costs. We are in compliance with our bond obligations and our legal requirements. The capital funding strategy will maintain that ongoing reliable service.

Regarding equity, the rate structures themselves have to comply with the legal requirements and provide an equitable recovery, not only by the customer classes, but even with the customers themselves. Finally, it needs to adhere to Council's policy, as well as the recommendations from the citizen's advisory committee process.

Going back to the 2007 cost-of-service study, he noted some of the critical tenants that came out of that long process, including realistic fiscal policies, adequate bond coverage and adequate reserves. The methodologies have to comply with the legal requirements. It was a very positive process in 2006-07. Those tenants still serve us well today.

As we set our rates, the first critical element is our revenue requirement. How much money do we need to collect in order to maintain the fiscal health of the utility? What's our annual need? Today we're talking about fiscal years 2013-14, but he also wants to fully communicate where we're going over the next 5 years. The projection is not defined, but this is where we're going.

Second is the cost of service analysis: what's the appropriate recovery by customer class, i.e. single-family versus commercial. Once we define that, how do we equitably recover those costs from our individual customers? Does our rate structure equitably recover? Finally, we reviewed it with the Utilities Commission for concurrence prior to coming to Council.

Overall, it's a balancing act with the economic uncertainty, the reliability of our system and equitable recovery. Ultimately, we're hoping that the program that we're putting in front of Council today provides that funding for capital improvements, the reliability of our system and reliability projects, as well as attainable rates for our customers.

Looking at our system in aggregate between water and wastewater, if we were to replace that system today, it would cost us roughly \$1,500,000,000. In order to really convey the magnitude of our system, which is a source of pride for the community, requires an ongoing reinvestment. Council has repeatedly said we need to reinvest in the system on a pay-as-you-go basis as much as possible.

The overall projection in terms of the water utility is just above inflationary. The projection we're requesting is 3.5% over fiscal year 2013-14, but that would effectively add a level of increase over the next 5 years based on current known capital needs.

On the water side, when we originally went to the bond market, we thought we were at 4%. We were able to tighten the purse strings and come in at around inflationary, which is about 3% per annum.

One of the critical elements is why we are asking what we're asking. A significant driver is the capital program. A computer graphic was used to show the level of annual funding. We're collecting money through rates that we're immediately reinvesting in our system.

We do have an increase in expenditures projected for 3 years. We used almost \$12,000,000 in new bonds, but also used our reserves to attenuate that impact to our customers. Our rate strategies are long-term strategies. It's a similar conversation on the wastewater side. In terms of our report, cash flows specifically mean those reinvestments in the capital program, that money that we're paying for a pay-as-you-go capital. Depending on the order and magnitude of the pipeline replacement program, we may have some ability to put a little in reserves to meet with that long-term replacement of our system.

Our rate structure objectives include: equity – are we meeting the law; transparency – can our customers understand it; stability and sufficiency – those attainable level increases over time; administrative burden – can we implement it through our billing system; and legal compliance – at all terms.

Addressing the legal statements, in 2006 the *Bighorn* case said we are subject to Proposition 218. It's notification, but it's also the need to meet a cost-of-service requirement. Our current rates are based on cost-of-service principles. We also have Government Code Section 54999.7, which applies to capacity charges or our buy-in fees. When we're dealing with governmental entities, we need to show that the charge to our customers relates back to the cost served.

In recent years, we've seen an additional requirement for administrative record. We've seen an additional onus put on agencies to show that they are meeting the law. We had Palmdale and San Juan Capistrano that have gone to the appellate courts. We think part of it will be overturned. So we do need to illustrate how our charges do tie back to the cost of providing that service.

From our perspective, the rate structure as it is today is fundamentally sound. We're not proposing radical changes to the rate structure. We are proposing a change to the fixed component of the rate structure. We've also considered the change in water demand patterns. We've seen a significant drop-off since 2007. The change is not necessarily consistent between customer classes. Our single-family residential customers have decreased their demand at a much higher rate. They have higher discretionary usage, and they've been doing a good job of cutting back, like we've been asking them to do. That creates a little bit of a shift from cost-of-service perspective.

We also looked at the tiers. We have a tiered structure in terms of residential. They are fundamentally sound. In terms of wastewater rates, we are proposing a slight change for single-family residential. We implemented that adjustment to the billing structure last year at Council's direction.

We're proposing to change the fixed component of our rate structure. Our rates have a component that's charged each month regardless of the water consumed or wastewater discharged to the system. When you buy into the system, you buy capacity. We're asking you to maintain and pay for that capacity. Then there is a commodity component. We're requiring you to pay for water you are consuming and wastewater you are discharging to the system.

With respect to the fixed charge, we currently base it on meter size, which is a reasonable, industry-defended, ubiquitously applied approach. However, it doesn't always reflect the actual consumption or capacity utilization of the system between customer classes. If we look at a single-family residential customer on a 5/8-inch meter, the smallest meter, they're using less water per month compared to multi-family, commercial or agricultural user. The adjustment we're requesting is that the fixed charge reflects the actual consumption pattern by customer class.

If we were to use water constantly throughout the course of the year, it's an efficient use of the system; we could reduce the size of our system. However, we have a conservation objective. We're environmentally conscious. We have to build capacity, storage capacity in particular, in order to meet the higher volume of water demands in

those long summer days. As we build excess capacity to provide for that higher water demand, it's more expensive because it's underutilized capacity. This becomes a basis for our rate structures in complying with Proposition 218.

Computer graphics were used to show our water usage by customer class. The single-family and master-metered customer class consumes a little under half of the water demand within the City. If you look at the current rate structure, what we're recovering from those customers, based on having that thick capacity component to the charge, we're asking them to pay just over half of our annual cost. It complies with 218, but we think we can do it slightly better by adjusting the fixed charged by customer class. Based on our proposal, we would be recovering about half of our costs from single-family residential. We would shift costs away from single-family residential to some of the other customer classes.

The overall impact is about the fixed charge. We are asking that we have a straight pass-through from our water purchase costs from SDCWA and from MWD.

In terms of sample bills, if you're a low volume single-family residential user, you would see your bills slightly decrease or stay roughly at the same level as today. If you're a high volume user, you would see a slight increase, in level with the overall increases of the utility.

Regarding multi-family, depending how much water you use as a building, you could see an increase of more than 3.5%. We have seen that most of our multi-family customers use between 4 and 6 CCF per dwelling unit. One CCF is 748 gallons. For commercial, it would be that slight shift. It's a one-time shift in this current year to more revenues being collected from the fixed charge for those customer classes.

Wastewater is a similar story. We have seen a change in patterns over the past several years. At Council's direction, we adjusted the winter quarter average, complying with what the original intent was for the citizen's advisory committee in 2007. The break points for the different tiers are 5 CCF and 10 CCF. Today we have a better balance of how many customers are falling in our high, medium and low volume categories for single-family residential.

In wastewater we don't see quite as significant of a change. It's about the equity of the individual customers. As a class, when we look at the existing versus proposed, there's not a significant change between customer classes. Because we're adjusting those tiers, overall the amount of revenue is about right.

If you're a high-volume user, from the allocation we recognize that we could reduce your charge and still account for costs of service. The amount of volume that large customers are using has decreased with conservation. It's a reward for doing the right thing.

Multi-family, as a customer class, is a pretty wide range in terms of the amount of volume used and the size of those customers. We can look at and come back to Council with more significant information on what the different multi-family customers have experienced. You could see a slight decrease if you're a small customer versus a slight increase if you're a large customer, based on a 2-inch meter. Commercial is similar to water in that there would be a one-time uptick.

MS. DALE stated that in August and September, staff met with both the Citizen's Budget Committee and the Utilities Commission and reviewed the rates. On September 3rd through the 19th, notices were mailed to customers receiving bills, either through their bill or through a direct mailer. Today is the workshop, and in a few weeks we're having the public hearing. If the rates are adopted, the rates would be effective on January 1st.

Although we do have some customers that do not receive bills, such as multi-families, or some of the parks, we did make the 218 notice available at the libraries, the City Clerk's office, the Cashier's office, the Water counter, public conservation events, the KOCT bulletin and the City's Twitter and Facebook pages.

The notices included the cost-of-service study recommendations, as well as our historical means of implementing rates, which has been an across-the-board increase.

The first option is the option that Mr. Grantham just went through, which is the cost-of-service rate recommendation. There are different increases or decreases in each of the customer classes and on the fixed rate. The pros and cons were listed on a computer graphic. This is staff's recommendation for implementation.

The second option is to implement rates in the way that we have in the past, by implementing an across-the-board increase of 3.5% for water and 3% for sewer. A computer graphic showed the pros and cons of this option.

When we compare our rates to the regional average, a survey of all of the water agencies in San Diego County that will be purchasing water from SDCWA like Oceanside, Oceanside's rate is \$64.81 per month for a single-family residential that uses 12 units of water, and the regional average is \$74.77. We're about \$10.00 below the regional average across the board. The cost-of-service example has a slightly lower rate of \$62.88, compared to \$64.81, which is below the regional average. Our department goal is to be at or below the regional average for both the water and wastewater rates.

For across the board on the wastewater side, Oceanside's rates would be \$58.46, and the regional average is \$61.63. Implementing cost-of-service, Oceanside rates are \$56.28, and the regional average is \$61.60.

We would like to know if Council likes the cost-of-service methodology of implementing rates or an across-the-board type of method.

COUNCILMEMBER FELLER stated in a computer graphic of legal requirements, it said "other relevant factors". What might those be?

MR. GRANTHAM responded in terms of the requirements of Proposition 218, we're specifically speaking of water and wastewater monthly rates. We must adhere to cost-of-service principles, which are based on statutory requirements, as well as current case law requirements. In terms of those elements that could be additional factors, if the San Juan Capistrano case goes through the Appellate Courts and the city does lose, it could make the requirements even more stringent. Here we look at a higher level of equity than we would in terms of the overall requirement, but there could be additional factors coming down the pike.

Public input

MICHAEL BARTHOLOMEW, 1510 Surrey Court, has a complaint with the tier system on the wastewater. He lives on 1/2 acre of land with his wife, and they conserve their water use. Having started a new garden, he's using more water. He's getting charged more for wastewater, but it's not going to be wasted, it's going into the ground. It's not fair the way it's done. It's the easy way, but not necessarily the fair way. It should be done by occupancy more than water volume.

JIMMY KNOTT, 127 Sherri Lane, Vice-Chairman of the Utilities Commission and a member of the Commission's Budget Committee, stated we wanted to have equity among all the classes. We had a goal of standardizing costs and having a variable cost because of the court cases pending. They caused us to challenge the rate structure that we used in the past. He has advocated for low-income and seniors at SDCWA, MWD and other entities. The public has a hard time realizing what getting water to their home entails. We have to maintain our infrastructure to avoid costly fines.

Our future goal is to get 50% of our water out of the San Luis Rey River or some other source. The federal government is requiring that the river be in predevelopment conditions. That will dramatically affect our withdrawal, causing more expense for other sources of water. We also need more precise wastewater measuring so consumers can pay a more exact amount for what they're using.

Public input concluded

MS. DALE responded staff did explore the wastewater metering question, which was discussed at the budget committee. Although it is possible, it's difficult and cost prohibitive. You'd probably pay more in metering service than you would in the savings that might be realized.

In terms of the occupancy, she doesn't know of any agency that's using such a system. There are some agencies in Orange County that have some very unique ways of billing to reflect customer differences. However, administratively it is very burdensome. It brings up questions about when Grandma comes for Christmas do you call into the department and get an exemption for a week. That's not something the billing system can handle at the moment.

MR. GRANTHAM stated it's something we did try to address in recognizing that some people value having a green yard, and this isn't necessarily reflective of what's being discharged into the sewer system. When we re-evaluated the discharge units assumed in the low, medium and high categories for wastewater, we did cap it. Effectively, we're looking at 12 CCF being the average for that high customer class. Even if you are using 30 CCF because you want a green lawn, your wastewater charge is proportionate to what we would assume would be discharged to the system. We may only be discharging 2 CCF into the system, but there's an administrative burden in terms of trying to track by number of people in the household and other elements. We discussed it as part of the process, but it didn't make a lot of sense.

DEPUTY MAYOR KERN asked the City Attorney if there's much flexibility in Proposition 218. Don't we just have to follow what it says?

CITY ATTORNEY MULLEN responded we do have to follow 218; that's the law according to the Supreme Court. Proposition 218 has very specific requirements set forth that the revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service, and several other related findings within Article 13 of the Constitution that you are required to follow.

DEPUTY MAYOR KERN stated we've had this discussion before about 218 and the different rate classes, and it's not something we can do.

CITY ATTORNEY MULLEN stated we do have different rate classes in terms of users: single-family, multi-family, etc. in terms of the consumption charges, but not by demographic type of statistics.

COUNCILMEMBER FELIEN stated one thing our City has been unified on is trying to find alternate water sources and using the San Luis Rey River as a source. He's concerned about the impact of the new regional water quality requirements. Are we going to be restricted in order to meet this predevelopment category? Are we going to have a limit in terms of how much we're allowed to pump out from the ground?

MS. DALE responded currently there is a limit on what we can pump out from the ground. It's bound by what we have with water rights, as well as what the basin can safely yield. We are going to be undertaking a study, which will come to Council for project award in the next few months, that will look at the aquifer and ways that we can supplement it with highly treated recycled water. We hope to expand the amount of water that we're taking out of the basin because it is our most cost-effective supply at this point.

COUNCILMEMBER FELIEN stated then we do get to derive an offset by what we replace in the aquifer in terms of our treated water. That gives us an avenue to mitigate some of these requirements.

Regarding the comments of one of our public speakers, everyone is an individual; their sewer ratio is determined by their water usage during the winter months. They have an ability to control, to some extent, their own calculation. Is that correct? What are the months that we actually compute the sewer?

MS. DALE responded you are correct. The months that the winter quarter averages are derived from are water use during the months of January, February and March, which have historically been the lowest rainfall periods and would reflect indoor usage.

COUNCILMEMBER FELIEN asked if Ms. Dale has spoken with the public speaker in question to see if he has anything unique related to his property.

MS. DALE responded not that she recalls. We do get a lot of comments from residents that have a large amount of property. The winter quarter average is a means to make those customers whole by reflecting what their indoor usage should be during periods when it's wet outside and they won't be doing the watering.

COUNCILMEMBER FELIEN asked how our current rates compare in terms of matching our requirements for the bond covenants. Are we above what those would require or at the requirements?

MS. DALE responded we are above those required levels.

COUNCILMEMBER FELIEN stated then the rates we're going to be debating are, to some extent, our own choices based on what we feel we need on the water side and the sewer side. We're not doing this just to make the bond holders happy, correct?

MS. DALE responded that's correct.

COUNCILMEMBER FELIEN stated most people understand that we're hostage to forces beyond our control as it relates to water, but he's had some citizens ask why the sewer rates are going in lock step with the water rates. Why don't we have more control over that? Is there a direct correlation between being successful in water conservation and this kind of drop-off in terms of sewer? Do we need to cover fixed costs because the same issue is in play, or is it a different set of dynamics?

MS. DALE responded we do see that drop-off. In conservation we see customer shifts in sewer when we have shifts in water consumption because the two are tied together.

MR. GRANTHAM stated in terms of the bond covenants, effectively it sets a minimum bar. Once we meet that bar, then we're dealing with our own internal policies and requirements. Relative to the water and wastewater bond covenants, we are in good stead.

In terms of the rate structure, one of the critical elements we were trying to address with this rate structure evaluation was to address the exact issue that was raised. Do our constituents have the ability to control their own costs, not just on the water side, but also on the wastewater side? They do. We've seen a reduction in winter quarter average, and that allows people to move from high to medium and medium to low.

The other aspect is, because we've seen that reduction in demand or discharge to the system, that high volume charge in particular under the proposed structure would

be coming down by 7%. It is addressing the exact issue that was raised.

COUNCILMEMBER FELIEN asked for an explanation on one of the charts used to show recommendation and water revenue needs. What point is that chart making?

MR. GRANTHAM responded we were trying to illustrate historic inflationary increases. Historically, the Consumer Price Index (CPI) has hovered around 2.5% to 3%. That's our benchmark for understanding that our costs are going up. Not only are we buying water, but we're buying chemicals, have labor costs, etc. Relative to that inflationary mark, are we asking for inflation or for more or less.

COUNCILMEMBER FELIEN stated on the pie chart dealing with water revenue, there is a slice for reclaimed water. It's small, but why is reclaimed water part of the chart?

MR. GRANTHAM responded this is illustrating our overall water portfolio and our sources of water. We import water, buy it from the SDCWA, have the groundwater desalination plant and we produce recycled water. We're looking to expand that in the future.

MS. DALE thinks it's a little confusing because between the two pie charts, it reflects usage and a customer class as the same.

COUNCILMEMBER FELIEN stated on the charts for 41-44, he missed the distinction that was being made. The headings seem to be the same, so what's the difference between them?

MS. DALE responded 41 is implementing a rate like we've always implemented it in the past. It's the two alternatives, showing how it would compare against the regional comparable costs for other agencies. The first slide in each utility is the even distribution of rates: 3.5% for water, and 3% for wastewater.

In response to Councilmember Feller, **MS. DALE** clarified that January, February and March are the highest rainfall months, historically.

COUNCILMEMBER FELLER asked how agriculture's sewer rate is. Don't agriculture areas all have septic, so their sewer rate is personal, rather than individual.

MS. DALE responded if they're located in the Morro Hills area, which is not presently sewerred, they should have their own septic system and would not be subject to these rates.

COUNCILMEMBER FELLER would be ready to go forward with this for November 6th.

MS. DALE stated what we're looking for is either implementing the even distribution of rates or the cost-of-service option.

COUNCILMEMBER FELLER thinks that's probably the simplest way to go. He **moved** to go with Option 1.

DEPUTY MAYOR KERN **seconded** the motion.

COUNCILMEMBER SANCHEZ clarified that Option 1 is the cost-of-service, which seems more equitable to individuals. They understand that better than being asked to subsidize someone else's use. Who in our community would be most affected in a negative way?

MR. GRANTHAM responded it would be multi-family and commercial customers, in both water and wastewater. We're asking for a one-time adjustment to

the fixed charge to better reflect the capacity requirement, the fixed component of the bill. It would be a one-time adjustment. In subsequent years it would be across the board.

MS. DALE explained that multi-family would be the Oceana communities, a lot of the mobile home parks, apartment complexes and most of the condo complexes.

COUNCILMEMBER SANCHEZ stated where we know we have senior homeowner's associations that have meetings, she asked staff to go out and contact them so they have a chance to let Council know their views on it. This is being presented as a pay-as-you-go thing. If we keep this, they'll probably feel this reflects what they use, whether or not it's being subsidized, and seeing a rate increase is going to make them wonder. Someone living in Oceana who doesn't have to water their landscaping because it's a homeowner's issue will wonder what happened. How big would that impact be on an individual basis? Is it something you could estimate on an individual basis?

MS. DALE responded it's very unique to each customer because of the amount of units it serves, as well as the size of the meter. We are open to having those customers contact us, and we're happy to calculate a sample bill. That's one of the reasons why it was difficult to try to notice what increases are being recommended for each customer class, because it was changing so significantly for each of the rate components.

COUNCILMEMBER SANCHEZ thinks staff probably has a better sense of it now, so she's hoping that between now and the public hearing, there will be time to attend a homeowner's association meeting to give them that information.

MS. DALE responded there may not be because it's short, but we can reach out to them. We have two members on the Utilities Commission that live in Oceana and have been talking with their homeowner's associations. We have another who lives in Ocean Hills who has been talking to his homeowner's association. From that perspective, we have quite a few people in the community helping to get the message out. We can certainly make the effort to contact them.

COUNCILMEMBER SANCHEZ asked what the average increase would be for someone who lives in Oceana and for someone who lives in a mobile home park with no landscaping.

MS. DALE doesn't have that answer off the top of her head. That's one of those things where we might want to do a calculation and send that out to the Councilmembers.

CITY MANAGER WEISS stated the public hearing is scheduled for November 6th, so we can find some answers for you and provide some sample bills prior to that by way of a pass-thru memo. If we can do a couple of calculations for samples, we will get that information out.

COUNCILMEMBER SANCHEZ stated when she gets that she can send it to OMHA and some other organized groups of individuals in those communities. She wants to make sure everyone knows what they are looking at.

MS. DALE responded if that's your preferred method to get the message out, they would be happy to get that memo to her quickly.

CITY MANAGER WEISS identified that with the exception of the MWD cost increases, the primary driver for what Council is doing are your future capital improvement projects. You have a significant number of projects over the next 5-15 years, which is going to drive the need for future discussions on rate increases. He suggested that in January/February, staff comes to Council in a workshop setting to talk

about those projects. Council is aware of those projects, but he's not sure the public is. Those projects, over time, are going to cost the City a significant amount of money. As mentioned, we have adequate money right now in ongoing revenue streams and accumulated reserves to cover the debt service and pay for projects. When you look at the significant costs into the future, it's probably worth Council having a discussion with the public. There are some significant costs coming. A \$90,000,000 project is a pretty cheap one compared to some of the others that you have.

You may want to look at those projects and recognize that if you want to buy self-reliance in both water and sewer, somewhere along the line we have to pay for it. That will set the stage for what you want to do moving toward the future.

COUNCILMEMBER SANCHEZ wants to make sure this is all consistent with what our understanding is going forward about climate change and what we anticipate the rainfall is going to be for our farms. Some individual residents have been collecting water on their own. Everyone is trying to cut down on water use. Every time she goes to a convention there are vendors talking about how to capture more water. At what point do we start suggesting things like that to our residents? Will that actually lower costs? At some point, it doesn't affect costs because of the cost of infrastructure.

MS. DALE thinks those are all good suggestions. We'll add in Council's goal to be 50% water independent by 2030 into those measures so you can see the progress and which projects would help get us there.

COUNCILMEMBER SANCHEZ stated this all fits in with our plan for sustainability, as well as conservation.

COUNCILMEMBER FELIEN asked if the Utilities Commission took a vote on this recommendation or were they merely there to get information.

MR. KNOTT responded we voted to endorse this unanimously.

MS. DALE stated we are not asking for a vote, we are asking for a recommendation and direction on what Council would like the Council action on November 6th to be.

DEPUTY MAYOR KERN stated the consensus is Option 1 right now.

COUNCILMEMBER SANCHEZ wants to check the information before she fully commits to that. It sounds like the correct thing to have people pay for what they use. She would love to know the end result before she says yes completely.

DEPUTY MAYOR KERN stated, regarding the agricultural zones, we have meters within the City that are just landscape meters. They are irrigation meters and, there are no sewer charges tied to them.

Regarding Oceana, he owns a unit there and does not get a water bill. They are master metered. At the end of every year they adjust that through his homeowner's association dues. He owns a condo in another location that does the same thing. New State law requires that they are going to individually meter multi-families so people can understand what their charges are. It's going to be difficult relaying it to Oceana other than taking the total cost and dividing it by the number of people. The problem in Oceana is that some people are very conscientious and some people aren't.

2. **Public Communications on City Council Matters (Off-Agenda Items) – None**

JIMMY KNOTT, 127 Sherri Lane, reminded everyone that tomorrow begins the first stage of the Mission Avenue improvements.

October 23, 2013

Mayor and Council
Workshop

DEPUTY MAYOR KERN announced that on November 7-8, he will be in Newport Beach for the Water Re-Use Conference. He's hoping to bring back some ideas.

ADJOURNMENT:

DEPUTY MAYOR KERN adjourned this meeting to Wednesday, November 6, 2013, at 2:00 PM. This adjourned meeting of the Oceanside City Council was adjourned at 3:03 PM, Wednesday, October 23, 2013.

ACCEPTED BY COUNCIL:

Zack Beck
City Clerk, City of Oceanside