



LIVE OAK CITY COUNCIL

REGULAR MEETING AGENDA MARCH 19, 2025 6:00 PM

MEETING LOCATION
LIVE OAK COUNCIL CHAMBERS
9955 LIVE OAK BOULEVARD
LIVE OAK, CALIFORNIA 95953

MEMBERS OF THE COUNCIL

JERAMY CHAPDELAINE, MAYOR
AARON PAMMA, VICE MAYOR
ASHLEY HERNANDEZ, COUNCILMEMBER
NANCY SANTANA, COUNCILMEMBER
BOB WOTEN, COUNCILMEMBER

RICK CRABTREE,
INTERIM CITY MANAGER

NICOLE ROSSER,
CITY ATTORNEY

The Council may take up any agenda item at any time, regardless of the order listed. Action may be taken on any item on this agenda. Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection at City Hall, 9955 Live Oak Boulevard, Live Oak, during normal business hours. Such documents are also available on the City of Live Oak's website at www.liveoakcity.org, subject to staff's availability to post the documents before the meeting.

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the City Clerk's office at (530) 695-2112 x107. Requests must be made at least 24 hours in advance.

- **Remote Viewing:**

- Members of the public can view a livestream of the meeting online at https://liveoakca.granicus.com/ViewPublisher.php?view_id=1.
- Members of the public can access the Zoom webinar as follows:
 - **Join by Electronic Device:**
<https://us02web.zoom.us/j/82458036986>
 - **Join by Phone:**
1-669-900-6833 or 1-833-548-0282 (Toll Free)
Webinar ID: 824 5803 6986

- **Public Comment:** Members of the public can submit general public comments, as well as comment on specific agenda items in the following ways:
 - **Public Attendance:** Members of the public who attend in person may make comments from the Council Chamber podium.

- **Live Remote Public Comment:** Members of the public can submit a live remote public comment by:
 - *Joining the virtual Council meeting via the link below. When public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes.*

<https://us02web.zoom.us/j/82458036986>
 - *Joining the virtual Council meeting by calling the phone number below. When public comment is opened, dial *9 to raise your hand and be called upon to speak for up to 3 minutes.*

 1-669-900-6833 or 1-833-548-0282 (Toll Free)
Webinar ID: 824 5803 6986
 - **Email Public Comment:** Comments from the public on agenda items will be accepted until 1:00 pm on the date of the meeting, via email to the City Clerk at cmenchaca@liveoakcity.org. Comments will be distributed to Council prior to the meeting and attached to the minutes. Please note that emailed comments will NOT be read aloud by staff during the meeting.
 - **eComment Feature:** Comments from the public on agenda items will be accepted until 1:00 pm on the date of the meeting, via the eComment feature at https://liveoakca.granicus.com/ViewPublisher.php?view_id=1. Comments will be distributed to Council prior to the meeting and attached to the minutes. Please note that eComments will NOT be read aloud by staff during the meeting.
-

CALL TO ORDER**ROLL CALL**

Under the AB 2449 personal emergency provision, Councilmember Hernandez has requested to participate remotely due to emergency circumstances.

PLEDGE OF ALLEGIANCE AND INVOCATION**CORRECTIONS AND/OR CHANGES TO THE AGENDA BY CITY MANAGER ONLY****PRESENTATIONS AND RECOGNITIONS****PUBLIC COMMENT**

Any person wishing to address the City Council on general jurisdictional matters or consent calendar items may do so at this time. If you are commenting on an agenda item, your comments will be heard at the time that item is scheduled for discussion. The City Council adopted a time limit of three minutes per person. The Brown Act does not allow for Council discussion of items not on the agenda. Councilmembers may only a) refer the matter to staff; b) ask for additional information; c) request a report back; or d) provide a limited factual response for items not listed on the agenda.

CONSENT ITEMS

Consent Calendar is passed by one motion with exceptions and separate votes as noted.

1. City Council Meeting Minutes
Recommendation: Approve the February 18, 2025, City Council Special Meeting minutes.
(Clarissa Menchaca, City Clerk)
2. City Council Meeting Minutes
Recommendation: Approve the March 5, 2025, City Council Regular Meeting minutes.
(Clarissa Menchaca, City Clerk)

BUSINESS ITEMS

3. City Council Consideration of Appointments to City of Live Oak Planning Commission
Recommendation: Consider the applications received for the two remaining Live Oak Planning Commission vacancies.
(Laura Stewart, Associate Planner)
4. Approval of Interfund Advance to the Water Fund
Recommendation: Approve Interfund Advance.
(James Ramsey, Finance Director)
5. Financial Status Report
Recommendation: Receive and file.
(James Ramsey, Finance Director)

6. Water Rate Study

Recommendation: Approve water rate study and authorize mailing of Proposition (Prop) 218 Notices.
(James Ramsey, Finance Director)

DISCUSSION ITEMS

7. Review and Possible Revisions to Backflow Prevention Device Maintenance Policies/Ordinances

Recommendation: Discussion and possible direction.
(Rick Crabtree, Interim City Manager)

ITEMS REMOVED FROM THE CONSENT AGENDA FOR COUNCIL CONSIDERATION AND ACTION

UPDATES AND ANNOUNCEMENTS FROM THE CITY ATTORNEY AND CITY MANAGER

COUNCILMEMBER REPORTS / COMMENTS / REQUESTS

CLOSED SESSION

After the Closed Session the City Council will leave the Council Chambers and the meeting will be adjourned by operation of law due to lack of a quorum. If there is any reportable Closed Session Action, a report will be made at the beginning of the next regular Council meeting. After the Closed Session Item descriptions are read by the City Attorney, all members of Council, applicable Consultants and Staff are asked to join the Closed Session meeting.

8. Public Employee Performance Evaluation Pursuant to California Government Code Section 54957:
City Manager

9. Public Employee Discipline/Dismissal/Release Pursuant to California Government Code Section 54954.5

ADJOURNMENT



**City of Live Oak
Report to City Council**

Meeting Date: March 19, 2025

Title: City Council Meeting Minutes

Contact Information: Clarissa Menchaca, City Clerk

Background: Submitted for Council approval are the February 18, 2025, City Council Special Meeting minutes.

Recommendation: Approve the February 18, 2025, City Council Special Meeting minutes.

Attachments:

[Minutes](#)



LIVE OAK CITY COUNCIL

SPECIAL MEETING MINUTES FEBRUARY 18, 2025 10:00 AM

MEMBERS OF THE COUNCIL

JERAMY CHAPDELAINE, MAYOR
AARON PAMMA, VICE MAYOR
ASHLEY HERNANDEZ, COUNCILMEMBER
NANCY SANTANA, COUNCILMEMBER
BOB WOTEN, COUNCILMEMBER

RICK CRABTREE,
INTERIM CITY MANAGER

NICOLE ROSSER,
CITY ATTORNEY

MEETING LOCATION
LIVE OAK COUNCIL CHAMBERS
9955 LIVE OAK BOULEVARD
LIVE OAK, CALIFORNIA 95953

CALL TO ORDER

Meeting called to order by Mayor Chapdelaine at Live Oak City Council Chambers, 9955 Live Oak Boulevard, Live Oak, CA at 10:04 am.

ROLL CALL

Present: Councilmembers Woten, Santana, Vice Mayor Pamma, and Mayor Chapdelaine

Appeared via teleconference: Councilmember Hernandez

PLEDGE OF ALLEGIANCE AND INVOCATION

Vice Mayor Pamma led the Pledge of Allegiance. Mayor Chapdelaine delivered the invocation.

MOTION: APPROVE MAYOR HERNANDEZ'S REMOTE APPEARANCE.
(MOTION: CHAPDELAINE; SECOND: PAMMA)

VOTE: MOTION PASSED UNANIMOUSLY

PRESENTATIONS

1. Discussion with United States Department of Agriculture on Funding Needs for Possible Community Facilities and Water and Waste Projects

Sally Tripp, United States Department of Agriculture Rural Communities; Justin Garey, California Community Facilities Program Director; Robin Yasso, Community Program Specialist; Melissa Nichols, Business and Cooperative Programs Technician; and Dibakar Barua, Gold Country Area Director, provided a presentation for the Council.

Scott Rolls, City Engineer, and Jeff Nelson, Interim Public Works Director, addressed questions from the Council.

ADJOURNMENT

Mayor Chapdelaine adjourned the meeting at 11:17 am.

Jeramy Chapdelaine, Mayor

ATTEST:

Clarissa Menchaca, City Clerk



**City of Live Oak
Report to City Council**

Meeting Date: March 19, 2025

Title: City Council Meeting Minutes

Background: Submitted for Council approval are the March 5, 2025, City Council Regular Meeting minutes.

Recommendation: Approve the March 5, 2025, City Council Regular Meeting minutes.

Attachments:

[Minutes](#)



LIVE OAK CITY COUNCIL

MINUTES
MARCH 5, 2025
6:00 PM

MEETING LOCATION
LIVE OAK COUNCIL CHAMBERS
9955 LIVE OAK BOULEVARD
LIVE OAK, CALIFORNIA 95953

MEMBERS OF THE COUNCIL

JERAMY CHAPDELAINE, MAYOR
AARON PAMMA, VICE MAYOR
ASHLEY HERNANDEZ, COUNCILMEMBER
NANCY SANTANA, COUNCILMEMBER
BOB WOTEN, COUNCILMEMBER

RICK CRABTREE,
INTERIM CITY MANAGER

NICOLE ROSSER,
CITY ATTORNEY

CALL TO ORDER

Meeting called to order by Mayor Chapdelaine at Live Oak City Council Chambers, 9955 Live Oak Boulevard, Live Oak, CA at 6:01 pm.

ROLL CALL

Present: Councilmembers Woten, Santana, Vice Mayor Pamma, and Mayor Chapdelaine

Appeared via teleconference: Councilmember Hernandez

PLEDGE OF ALLEGIANCE AND INVOCATION

Vice Mayor Pamma led the Pledge of Allegiance. Councilmember Woten delivered the invocation.

MOTION: APPROVE MAYOR HERNANDEZ'S REMOTE APPEARANCE.
(MOTION: CHAPDELAINE; SECOND: WOTEN)

VOTE: MOTION PASSED UNANIMOUSLY

CORRECTIONS AND/OR CHANGES TO THE AGENDA BY CITY MANAGER ONLY

There were no corrections and/or changes.

PRESENTATIONS AND RECOGNITIONS

There were no presentations and/or recognitions.

PUBLIC COMMENT

Public Comment was opened and closed without any speakers.

CONSENT ITEMS

Consent Calendar is passed by one motion with exceptions and separate votes as noted.

MOTION: APPROVE THE CONSENT AGENDA.
(MOTION: SANTANA; SECOND: WOTEN)

VOTE: MOTION PASSED UNANIMOUSLY

1. City Council Meeting Minutes
Clarissa Menchaca, City Clerk
Council action: February 19, 2025, City Council Regular Meeting minutes approved.
2. City Council Meeting Minutes
Clarissa Menchaca, City Clerk
Council action: February 26, 2025, City Council Special Meeting minutes approved.

BUSINESS ITEMS

3. Yuba-Sutter Economic Development District 2025-2030 Five-Year CEDS Update, Appendix I Public Works Projects Updates and 2024 CEDS Annual Performance and Evaluation
Brynda Stranix, District Director, Yuba-Sutter Economic Development District

Brynda Stranix, District Director, Yuba-Sutter Economic Development District, introduced the item.

Cynthia Roderick, Grant Specialist, Yuba-Sutter Economic Development District, provided a report for the Council.

Public Comment was opened and closed without any speakers.

MOTION: ADOPT RESOLUTION TO APPROVE THE FIVE-YEAR 2025-2030 CEDS, THE 2024 COMPREHENSIVE ECONOMIC DEVELOPMENT EVALUATION AND PERFORMANCE REPORT AND THE UPDATED APPENDICES I PUBLIC WORKS PROJECTS AND AUTHORIZE ITS SUBMITTAL TO THE UNITED STATES DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION AS SET OUT IN THE RESOLUTION.
(MOTION: WOTEN; SECOND: CHAPDELAINE)

VOTE: MOTION PASSED UNANIMOUSLY

Reference Resolution No. 02-2025.

4. Write-ff of Past Due Water and Sewer Accounts Collections
James Ramsey, Finance Director

James Ramsey, Finance Director, provided a report for the Council.

Public Comment was opened and closed without any speakers.

MOTION: ADOPT RESOLUTION.
(MOTION: SANTANA; SECOND: HERNANDEZ)

VOTE: MOTION PASSED UNANIMOUSLY

Reference Resolution No. 03-2025.

5. Budget Amendment
James Ramsey, Finance Director

James Ramsey, Finance Director, provided a report for the Council.

Public Comment was opened and closed without any speakers.

MOTION: ADOPT RESOLUTION.
(MOTION: WOTEN; SECOND: CHAPELAINE)

VOTE: MOTION PASSED UNANIMOUSLY

Reference Resolution No. 04-2025.

6. Water Rate Study Analysis Results and Preliminary Recommendations Presentation
Jeff Nelson, Interim Public Works Director

James Ramsey, Finance Director, introduced the item.

Alison Lechowicz, Project Manager at Lechowicz & Tseng Municipal Consultants, provided a report for the Council.

Jeff Nelson, Interim Public Works Director, and James Ramsey, Finance Director, addressed questions from the Council.

The following members of the public addressed the Council: Alan Deala, Cruz Mora, and Marcus Prasad.

MOTION: ADOPT OPTION NUMBER 2 AND PREPARE FOR THE 218 NOTIFICATION PROCESS.
(MOTION: WOTEN; SECOND: CHAPELAINE)

VOTE: MOTION PASSED 4-1

AYES: COUNCILMEMBERS WOTEN, HERNANDEZ, VICE MAYOR PAMMA, AND MAYOR CHAPDELAINE

NOES: COUNCILMEMBER SANTANA

DISCUSSION ITEMS

7. Discussion/Direction Regarding Review of Consultant Contracts and Potential Approvals Needed for Contract Extensions (BPR Consulting Group and Eide Bailly LLP)
Nicole Rosser, City Attorney

Nicole Rosser, City Attorney, provided a report for the Council.

Public Comment was opened and closed without any speakers.

Council action: Directed staff to prepare Request for Proposals (RFPs) and bring back proposed RFPs for Council review and approval.

ITEMS REMOVED FROM THE CONSENT AGENDA FOR COUNCIL CONSIDERATION AND ACTION

There were no items removed from the Consent Agenda for Council consideration and action.

UPDATES AND ANNOUNCEMENTS FROM THE CITY ATTORNEY AND CITY MANAGER

Nicole Rosser, City Attorney, briefly touched on legal memos she will be providing to Council via email. Rick Crabtree, Interim City Manager, informed that the Public Employees Union Local #1 representative has requested the City begin the meet and confer process on a revised contract.

COUNCILMEMBER COMMENTS

Councilmember Woten highlighted his attendance at the Regional Housing Authority Board of Commissioners meeting. Councilmember Woten inquired about representation on the Sutter-Yuba Mosquito and Vector Control District.

Councilmember Santana briefly touched on a possible candidate for City code enforcement operations.

Councilmember Hernandez touched on her attendance at the Government Affairs Committee of the Sutter Yuba Homeless Consortium meeting.

Vice Mayor Pamma highlighted his attendance at the Feather River Air Quality Management District meeting.

Mayor Chapdelaine discussed his attendance at the Sacramento Area Council of Governments meeting. Mayor Chapdelaine congratulated the Live Oak High School varsity girls' soccer team for winning the Northern Section Championship.

CLOSED SESSION

8. Public Employee Performance Evaluation Pursuant to California Government Code Section 54957: City Manager
9. Public Employee Discipline/Dismissal/Release Pursuant to California Government Code Section 54954.5

ADJOURNMENT

Mayor Chapdelaine adjourned the meeting at 8:16 pm.

Jeramy Chapdelaine, Mayor

ATTEST:

Clarissa Menchaca, City Clerk



**City of Live Oak
Report to City Council**

Meeting Date: March 19, 2025

Title: City Council Consideration of Appointments to City of Live Oak Planning Commission

Contact Information: Laura Stewart, Associate Planner

Location: Citywide

Background: The City of Live Oak Planning Commission is comprised of seven members. Six members are appointed by the City Council and one member is appointed by the Sutter County Planning Commission, with approval by the Sutter County Board of Supervisors and the Live Oak City Council.

Live Oak Municipal Code Section 2.12.020(A) states, in part, "The planning commission shall consist of seven members appointed by the mayor with the consent of the City Council." Section 2.12.020 (C) states the city will post a notice of possible vacancy to allow the incumbent and other citizens to be considered for appointment or reappointment.

The City of Live Oak Planning Commissioners each serve staggered, four-year terms. The terms of Commissioners Bernie Didario and Michelle Serpa expired on January 31, 2025, creating two vacancies for terms expiring on January 31, 2029, and Commissioner Aarondeep Pamma resigned from his position on the Live Oak Planning Commission, creating one vacancy for the remainder of his term, expiring January 31, 2027.

The City of Live Oak published vacancy notices on November 22, 2024, December 3, 2024, and February 10, 2025, and received a total of nine applications in response.

During the February 5, 2025 City Council meeting, Commissioner Michelle Serpa was reappointed to a four-year term expiring on January 31, 2029. Therefore, the City currently has one vacancy for a four-year term expiring on January 31, 2029, and one vacancy for a two-year term expiring on January 31, 2027.

Current Term Expires Commissioner
January 31, 2029 Michelle Serpa
January 31, 2029 (VACANT)
January 31, 2027 (VACANT)
January 31, 2027 Jerry Stewart
January 31, 2028 Matt Chapman
January 31, 2028 Mike Tuman
Each Calendar Year (Sutter County Appointee TBD)

Analysis: A technical reading of the code allows the Mayor to make appointments, with Council then voting on whether or not to confirm each appointment. If the City Council fails to approve the Mayor's appointments, the Council will then consider another appointment by the Mayor, followed by a Council vote. All current applicants have been informed the Mayor and City Council will consider appointments at this meeting. The Mayor will make known his appointments at this Council Meeting.

Fiscal Impacts: None.

Recommendation: Consider the applications received for the two remaining Live Oak Planning Commission vacancies.

Attachments:

Application - Amneet Bains

Application - Alan Deala

Application - Dan Johnson

Application - Cruz Mora

Application - Marcus Prasad

Application - Harry Sidhu

Application - Tarnjit Singh

Application - Liz Skutley



Planning Commission

APPLICATION FOR APPOINTMENT

Name: Amneet Kaur Bains

Home Address: [REDACTED]

Home Phone: [REDACTED]

Cell Phone: [REDACTED]

Occupation: Medical Assistant

Employer Name: [REDACTED]

Employer Address: [REDACTED]

Please answer the following questions on a separate sheet.

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?
2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.
3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

NOTE: A **conflict of interest** statement is required of all appointed Planning Commissioners.

**Please return the completed application to the City Clerk via email
at: cmenchaca@liveoakcity.org or at City Hall.**

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?

I would like to serve on the planning commission because I am interested in working alongside my community for the development of our city. My role in this position will allow me to collaborate with my team members to decide on zoning, land use, building regulations and various projects throughout the city. I will be able to contribute to making my city more sustainable, inclusive, and accessible by advocating for affordable housing and the expansion of commercial property. This will allow for more employment opportunities for our residents.

2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.

I am a graduate of University of California, Davis with a Bachelor's of Science in Human Development from the Department of Human Ecology. I have completed curricula focusing on the human ecology of people and place: the human experience that includes the individual, institutions, the community, schools, families, and relationships between people and their environment. Through my coursework, I developed a strong foundation in analyzing complex social dynamics and understanding the interconnectedness between people, communities, and the spaces they inhabit. My education and experiences have equipped me with valuable insight into addressing issues such as public health, education, family dynamics, and community development, all of which are critical areas for local government decision-making. These qualifications, combined with my passion for serving the community, would allow me to contribute thoughtfully to the City Council's efforts in creating policies and programs that support the well-being and development of our residents.

3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

Yes.



Planning Commission

APPLICATION FOR APPOINTMENT

Name: Alan Deala

Home Address: [REDACTED] Live Oak, CA 95953

Home Phone: [REDACTED]

Cell Phone: [REDACTED]

Occupation: Senior Software Engineer

Employer Name: [REDACTED]

Employer Address: [REDACTED]

Please answer the following questions on a separate sheet.

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?
2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.
3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

NOTE: A **conflict of interest** statement is required of all appointed Planning Commissioners.

Please return the completed application to the City Clerk via email
at: cmenchaca@liveoakcity.org or at City Hall.

Memorandum

To: Live Oak City Council

From: Alan Deala

Re: Appointment to Planning Commission

Provided below are the answers to the three questions listed on the application for appointment to the Planning Commission.

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?

I would like to have the opportunity to directly influence the growth and development of my community. I can help shape the policies and plans of our community, ensuring that they meet the needs of current and future residents. My family plans to be a part of this community for many years to come and this is a meaningful way to give back to the community that we are part of and influence its growth in a positive manner.

2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.

- a. Technical Expertise and Data Analysis: As a senior software developer for an FDA regulated company, I have a strong technical skill set that includes data analysis, software development, and the use of technology to solve complex problems. My ability to analyze large datasets and develop software tools can greatly enhance the planning commission's ability to make data-driven decisions.
- b. Problem-Solving and Innovation: My experience in developing software solutions for a multi-national team involves a high level of problem-solving ability and innovation. I am accustomed to working in diverse, dynamic environments and can bring fresh perspectives and creative approaches to urban planning challenges.
- c. Collaboration and Cross-Cultural Communication: My work on a multi-national team has equipped me with strong collaboration and cross-cultural communication skills. I am adept at working with individuals from diverse backgrounds and can facilitate effective communication among various stakeholders, including community members, government officials, and international partners.

3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

Yes. I am usually home from work by 5 pm on weekdays.

██████████ Live Oak, CA 95953
██████████



Planning Commission

APPLICATION FOR APPOINTMENT

Name: Dan Johnson

Home Address: _____

Home Phone: _____

Cell Phone: _____

Occupation: Teacher

Employer Name: _____

Employer Address: _____

Please answer the following questions on a separate sheet.

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?
2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.
3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

NOTE: A **conflict of interest** statement is required of all appointed Planning Commissioners.

**Please return the completed application to the City Clerk via email
at: cmenchaca@liveoakcity.org or at City Hall.**

City Clerk,

Response to question 1

My reason for wishing to serve on the City of Live Oak Planning Commission is that I feel I have a vested interest in our community. I have lived in Live Oak for 25 years and worked at the high school for 22 years. I also have a rental property in addition to my personal residence in Live Oak. I will be retiring from the school district this June and feel I will have the time to devote the effort needed to be productive part of the commission. I believe our city is a great place to live, but I am interested in helping shape its future going forward.

Response to question 2

I believe the most valuable experience is living in and being an involved part of this community for many years. I also have served on professional and public committees in recent years, CATA Regional Officers, and Gridley Ducks Unlimited to name a couple. Being the department head of the Live Oak High School Agriculture Department, I have the opportunity every day to shape our program in many different ways. As a result, we have one of the best programs in the area.

Response to question 3

As mentioned in response 1, I am only considering this role since I will be retiring from teaching this year. So yes, I believe I will have the time and effort to fulfill the duties as a member of the committee.

Thank you for your consideration,

Dan Johnson



Planning Commission

APPLICATION FOR APPOINTMENT

Name: Cruz Mora

Home Address: [REDACTED]

Home Phone: [REDACTED]

Cell Phone: [REDACTED]

Occupation: State Healthcare Policy Analyst

Employer Name: [REDACTED]

Employer Address: [REDACTED]

Please answer the following questions on a separate sheet.

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?
2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.
3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

NOTE: A **conflict of interest** statement is required of all appointed Planning Commissioners.

Please return the completed application to the City Clerk via email
at: cmenchaca@liveoakcity.org or at City Hall.

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?

I am excited to apply for a position on the City of Live Oak Planning Commission because I am deeply committed to shaping the future of our community. As a lifelong resident of Live Oak, I have a strong connection to the city's unique character and an understanding of the challenges and opportunities it faces. Serving on the Planning Commission presents a meaningful opportunity to contribute to thoughtful development and planning that ensures Live Oak remains a thriving and inclusive place to live.

I am particularly passionate about enhancing community engagement through creative initiatives that enrich residents' lives. As a Planning Commissioner, I am eager to work with the City Council and staff to establish a Parks and Recreation-focused committee. This committee would serve as a hub for brainstorming and planning events that promote public spaces, strengthen community bonds, and support healthy, active lifestyles. By spearheading this initiative, I aim to foster a stronger sense of community and ensure our parks and recreational programs reflect the needs and aspirations of all Live Oak residents.

2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.

As a policy analyst with the California Department of Health Care Services, I bring extensive experience in analyzing data, coordinating projects, and collaborating with diverse stakeholders.

These skills are directly applicable to the work of the Planning Commission, where thoughtful evaluation and decision-making are essential.

Additionally, I have actively participated in community development efforts, including advocating for improved water quality and supporting economic initiatives in Live Oak. My familiarity with public service processes, combined with my passion for creating vibrant, connected communities, equips me to address planning challenges effectively.

My commitment to public service is complemented by my ability to foster collaboration. For example, I have experience organizing discussions and developing actionable plans to address local needs. These efforts would translate seamlessly into my role on the Planning Commission, particularly in leading a Parks and Recreation-focused committee to develop community-centered events and programs.

3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

Yes, I am fully committed to attending meetings regularly and dedicating the time required to fulfill my duties as a member of the Planning Commission. I understand the importance of being an active and engaged participant in Commission activities. My current professional schedule provides me with the flexibility to devote the necessary time and energy to this role, including spearheading initiatives such as the proposed Parks and Recreation-focused committee.

QUESTIONS

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?
2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.
3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

RESPONSE

1. I deeply value the City of Live Oak and its dedication to responsible growth and fostering a strong sense of community. Serving on the Planning Commission is a vital opportunity to help shape the city's future in a way that promotes common-sense development while safeguarding the traditions and character that make our community special. I am especially committed to tackling issues like zoning and infrastructure with practical, results-driven solutions to ensure Live Oak remains a safe, thriving, and family-oriented place for generations to come.
2. I bring extensive experience working for the State of California, managing multi-million-dollar contracts, overseeing budgets, and ensuring efficient financial operations. My work has included handling complex state-funded projects, ensuring compliance with fiscal regulations, and optimizing resource allocation. I have developed expertise in auditing purchase orders, processing large-scale invoices, and improving operational efficiency under demanding conditions, such as emergency response scenarios. This background has equipped me with a strong understanding of budgets, fiscal accountability, and resource management, enabling me to make disciplined, results-oriented contributions to the Planning Commission.
3. Yes, I am fully prepared to attend meetings regularly and dedicate the time necessary to fulfill my duties as a member of the Planning Commission. I understand the importance of active participation and am committed to being a reliable and engaged contributor. My professional experience with the State of California has instilled in me the discipline and time-management skills required to meet deadlines and maintain accountability, and I will bring that same level of commitment to this role.

CONTACT

 Phone: [REDACTED]
 Email: [REDACTED]



Planning Commission

APPLICATION FOR APPOINTMENT

Name: Harry Sidhu

Home Address: [REDACTED] Live Oak CA 95953

Home Phone: [REDACTED]

Cell Phone: [REDACTED]

Occupation: Farmer / Loan Officer

Employer Name: [REDACTED]

Employer Address: [REDACTED]

Please answer the following questions on a separate sheet.

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?
2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.
3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

NOTE: A conflict of interest statement is required of all appointed Planning Commissioners.

**Please return the completed application to the City Clerk via email
at: cmenchaca@liveoakcity.org or at City Hall.**

1. The reasons I have to serve on the City of Live Oak's Planning Commission are to help our community continue to grow. Our community is growing in size and we need to stay on the front of bringing services to our town. These services can range from restaurants, grocery, additional outlets for kids, etc. Items like these would help support our community and allow for additional growth.
2. The experiences and qualifications I currently have are I am a life long resident of Live Oak, I grew up here, live here, and have a farm here. I also work in the commercial lending world as a loan officer and have knowledge in various types of transactions and what is needed to complete projects. I would be able to bring a different perspective to the Planning Commission and shed light on items that may arise.
3. If appointed I would be able to attend meetings regularly and devote the time necessary to fulfill my duties on the Planning Commission. I look forward to hearing from you and thank you for your consideration for this opportunity.



Planning Commission

APPLICATION FOR APPOINTMENT

Name: TARANJIT SINGH

Home Address: [REDACTED] ST. LIVE OAK, CA 95953

Home Phone: [REDACTED]

Cell Phone: [REDACTED]

Occupation: TRANSPORTATION & FARMING

Employer Name: [REDACTED]

Employer Address: [REDACTED]

Please answer the following questions on a separate sheet.

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?
2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.
3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

NOTE: A **conflict of interest** statement is required of all appointed Planning Commissioners.

Please return the completed application to the City Clerk via email
at: cmenchaca@liveoakcity.org or at City Hall.

1. I wish to serve on the Live Oak's planning commission because I am well aware of the needs of the community of Live Oak, that could benefit the community and the city to grow, in future. As we know Live Oak is growing rapidly, we really need more services coming in the city to keep up with the growth. I believe the planning commission is the best platform where I can bring my community's opinion for the development and growth.
2. My expertise and experience include my business and farming back ground. I am a business owner here in Live oak and try my best to create job opportunities for Live oak citizens. I am well versed with the surrounding of Live oak and been part of the community work a lot of times.
3. I am self employed and run my business here in Live oak, this makes my schedule flexible and thus ensuring I'll be able to attend all the meetings and help any way possible for the growth of Live oak.

Given these points I look forward hearing from you and thankyou for your consideration for this opportunity.



Planning Commission

APPLICATION FOR APPOINTMENT

Name: Liz Skutley

Home Address: [REDACTED] Live Oak, CA 95953

Home Phone: _____

Cell Phone: [REDACTED]

Occupation: Realtor

Employer Name: [REDACTED]

Employer Address: [REDACTED]

Please answer the following questions on a separate sheet.

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?
2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.
3. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

NOTE: A **conflict of interest** statement is required of all appointed Planning Commissioners.

**Please return the completed application to the City Clerk via email
at: cmenchaca@liveoakcity.org or at City Hall.**

1. What are your reasons for wishing to serve on the City of Live Oak Planning Commission?

As a Realtor®, and a member of our community, I value our community. Our community needs to be developed in a strategic way that strengthens our community. Our city needs to promote business development that will increase the tax base for the City of Live Oak. The city needs to support infill projects that support the City's General Plan.

2. Describe your experience and/or qualifications which will assist the City Council in evaluating your application.

I am Realtor® with my roots planted in agriculture in Live Oak. Growing up in agriculture growing rice, hay and raising cattle, I learned at a young age the value of hard work and dedication. The skills and knowledge that I learned at an early age were just the first blocks in my growth as a leader.

My experience as a team leader and as a business owner strengthened my skills and experience as a business professional. During my term as President and Past President of the Sutter-Yuba Association of Realtors® my skills as a leader and as a business professional were sharpened thru the experience and obstacles of the time.

Over the past 17 years as a Realtor®, I have had the opportunity and pleasure to serve on the Sutter-Yuba Association of Realtors® as a board member as a Director, President-Elect, President and Past President, participated on multiple other committees as Chair, Co-Chair and as a member. Additionally, I have served as Region 3 Director - California Association of Realtors® for three years, MetroList MLS Committee member for four years and been apart of the committees and groups

2022 Realtor® of the Year

2021-2025 MetroList MLS Committee

2020 President, Sutter-Yuba Association of Realtors®

2019-2021 – Region 3 Director - California Association of Realtors®

2018-2023 – Board of Director - Sutter-Yuba Association of Realtors®

2010 - Current – Committee Member & Committee Chair Positions - Finance, Legislative & Government Affairs, MLS, Nomination, Public Relations

3. If appointed, will you be able to attend meetings regularly and devote the time

necessary to fulfill your duties as a member? If appointed, I would be able to attend meetings regularly, except from April 5, 2025, through May 15, 2025 as I have a previous planned engagements.



City of Live Oak Report to City Council

Meeting Date: March 19, 2025

Title: Approval of Interfund Advance to the Water Fund

Contact Information: James Ramsey, Finance Director

Background: As of February 28, 2025, the Water Fund has a deficit cash position of \$2,972,151 and is expected to have a deficit cash position of \$3,489,727.

The City has the ability to loan amounts from other funds, on a temporary basis to the water fund as long as it can demonstrate that the Water Fund can pay it back. The City's water fund is currently undergoing a rate study that will increase rates. Within the rate study, there was a temporary loan considered to be paid back over five years, beginning in year five of the study. One of the requirements for loaning funds, is to charge interest on the loan. This can be either simple interest or compound interest. Management proposes to charge simple interest based on average rate of return on its investments for the fiscal year. The City's current average rate of return is currently 2.46%.

The proposed payment schedule is attached. When the year is closed out, we will update the interest rate to reflect the ending average rate of return on its investments.

Fiscal Impacts: Transfer of cash amounts to Water Fund.

Recommendation: Approve Interfund Advance.

Attachments:

[Resolution](#)
[Exhibit A](#)

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVE OAK AUTHORIZING ESTABLISHING AN
INTERFUND ADVANCE TO THE WATER FUND FROM OTHER CITY FUNDS IN THE AMOUNT OF
\$3,500,000

WHEREAS, the City of Live Oak furnishes a water for obtaining, conserving and disposing of water for public and private uses; and

WHEREAS, providing utility services for citizens includes the collection of monthly utility billings; and

WHEREAS, the City of Live Oak's Water Fund has a deficit cash position; and

WHEREAS, the City has idle funds in the water connection fees, sewer connection fees, and drainage connection fees funds that it is not expecting to use for the next several years; and

WHEREAS, the City is currently undergoing a water rate study to assist in the repayment of all debts of the water fund; and

WHEREAS, Exhibit A provides a schedule of proposed payments from the Water Fund back to the lending funds.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Live Oak authorizes the Finance Director to establish an interfund advance in the amount of \$3,500,000 from other funds to the water fund to be repaid within 10 years of establishing the advance.

PASSED AND ADOPTED this 19th day of March, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

APPROVED:

Jeremy Chapdelaine, Mayor

ATTEST:

Clarissa Menchaca, City Clerk

Water Loan

Loan Amount	3,500,000
Average Interest Rate	2.46%
Start Date	3/31/2025

		Current Cash Balance	Ending Cash Balance
Fund Sources:			
Water Connection	1,500,000	\$ 1,679,402	\$ 179,402
Sewer Connection	1,500,000	1,559,942	59,942
Drainage Fees	500,000	667,553	167,553
	<u>\$ 3,500,000</u>	<u>\$ 3,906,897</u>	<u>\$ 406,897</u>

	Additions	Principal Payments	Interest Payments	Total Payments
3/31/2025 Principal	\$ 3,000,000	\$ -	\$ -	\$ -
6/30/2025 Principal	500,000	-	-	-
6/30/2025 Interest	18,450	-	-	-
6/30/2026 Interest	86,100	-	-	-
6/30/2027 Interest	86,100	-	-	-
6/30/2028 Interest	86,100	-	-	-
6/30/2029 Interest	86,100	(700,000)	(112,547)	(812,547)
6/30/2030 Interest	71,649	(700,000)	(112,547)	(812,547)
6/30/2031 Interest	57,197	(700,000)	(112,547)	(812,547)
6/30/2032 Interest	42,746	(700,000)	(112,547)	(812,547)
6/30/2033 Interest	28,295	(700,000)	(112,548)	(812,548)
	<u>\$ 4,062,737</u>	<u>\$ (3,500,000)</u>	<u>\$ (562,737)</u>	<u>\$ (4,062,737)</u>

	Balance		
	Principal	Interest	Total
3/31/2025	3,000,000	-	3,000,000
6/30/2025	3,500,000	-	3,500,000
6/30/2025	3,500,000	18,450	3,518,450
6/30/2026	3,500,000	104,550	3,604,550
6/30/2027	3,500,000	190,650	3,690,650
6/30/2028	3,500,000	276,750	3,776,750
6/30/2029	2,912,547	250,303	3,162,850
6/30/2030	2,325,094	209,404	2,534,499
6/30/2031	1,737,642	154,054	1,891,696
6/30/2032	1,150,189	84,253	1,234,442
6/30/2033	562,737	-	562,737



City of Live Oak Report to City Council

Meeting Date: March 19, 2025
Title: Financial Status Report
Contact Information: James Ramsey, Finance Director
Background:

During the March 5, 2025, City Council meeting discussion over the budget amendment, it was noted that the City Council did not have enough warning of the projected deficit of the water fund. As such, management will now be preparing a monthly financial status report for the 2nd meeting of each month where the City Council can be informed of the status for the budget at fund and department level, as well as the cash position of the City at the fund level, as well as a whole.

If there is additional information that the City Council would like to see in these reports, please direct staff accordingly.

Discussion - all results as of February 28, 2025.

Cash Position - the total cash position of the City, as of February 28, 2025 is \$9,199,827.

Revenues - The City has received approximately 60% of its budgeted (amended) revenues to date, with significant revenue amounts expected to be received in April (Franchise Fees) and June (property taxes). The General Fund overall is at 39%.

Expenditures - The City has expended approximately 46% of its budgeted (amended) expenditures to date. The most significant expenditures are still expected in the General Fund for the Police and Fire Contracts.

See attached for the details.

Recommendation: Receive and file.

Attachments:

CITY OF LIVE OAK
Cash Balance
As of February 28, 2025

Fund Number	Fund Name	Cash Balance	Fund Number	Fund Name	Cash Balance
General Fund			Enterprise Funds		
10	General Fund	\$ 398,306	12	Water Enterprise	\$ (2,972,151)
2	Signage & Beautification	32,687	13	Sewer Enterprise	3,011,601
5	Capital Improvement Projects	(1,325,515)	50	Water Connection Fees	1,679,402
11	Developer Deposits	194,774	51	Sewer Connection Fees	1,559,942
19	General designated reserve	27,245	Total Enterprise Funds		\$ 3,278,794
43	Designated - General Plan Update	34,760	Special Revenue Funds		
44	Designated - Equipment Replacement	112,702	14	Streets - Gas Tax	\$ 354,958
45	Designated - Information Technology	112,519	15	TDA Transportation Tax	260,175
46	Designated - PERS Retirement	348,101	16	Traffic Safety	45,462
47	Designated - Health Insurance	299,936	17	COPS	664,699
48	Designated - OPEB	200,796	18	Sidewalk Improvement	19,088
49	Designated - Capital Facilities	731,339	40	State Grants Fund	(1,039,359)
Total General Fund		\$ 1,167,649	52	Drainage Connection Fees	667,553
Special Assessments & Community Facilities Districts			58	ARPA Funding	1,141,045
20	Street Lighting	\$ 115,153	Total Other Special Revenue Funds		\$ 2,113,621
21	CFD 92-1 Mello Roos	52,174	AB 1600 Fees (Developer Impact Fees)		
22	Fire Assessment	28,866	30	Parks AB1600	\$ 583,308
23	Fire CFD 2004-1	30,677	31	Community Ctr AB1600	381,282
24	Police CFD 2004-1	79,011	32	Public Works AB 1600	131,884
25	Animal Control CFD 2004-1	5,151	33	Gen Gov't AB1600	558,439
26	Street Lighting CFD 2004-1	(63,370)	34	Police AB1600	178,008
27	Rec/Pool CFD 2004-1	38,446	35	Fire AB1600	74,334
28	Drainage CFD 2004-1	200,679	36	Roads/Signals AB1600	527,219
Total Special Assessments & CFD		\$ 486,785	39	Flood Control AB 1600	2,396
CDBG			Total AB 1600 Fees		\$ 2,436,869
90	CDBG HR Program Income	\$ 222,381	HOME Investment Partnerships		
67	CDBG Skate Park	(430,713)	84	HOME OOR & FTHB	\$ 6,826
68	CDBG - 12011 Grant	-	85	HOME 9274	(3,945)
69	CDBG PI Waiver Water Main	(246,000)	86	HOME 11532	(2,028)
Total HOME Investment Partnerships		\$ (454,331)	87	HOME OORP	3,289
			92	HOME Housing Grants	166,299
			Total HOME Investment Partnerships		\$ 170,441
Total Cash		9,199,827			

*No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

CITY OF LIVE OAK
Budget - to - Actual Revenues (FY 2024-2025)
As of February 28, 2025

					Target	66.67%
Fund Number	Fund	Original Budget FY 2025	Amended Budget FY 2025	Year-to-Date FY 2025	Remaining Amounts	Y-T-D as a %
10	General Fund	\$ 4,973,527	\$ 5,129,110	\$ 2,010,318	\$ 3,118,792	39%
12	Water Enterprise	932,194	936,599	667,335	269,264	71%
13	Sewer Enterprise	2,526,457	2,522,122	1,747,599	774,523	69%
14	Streets - Gas Tax	514,923	508,468	306,890	201,578	60%
15	TDA Transportation Tax	3,275	3,275	3,686	(411)	113%
16	Traffic Safety	4,000	7,944	9,286	(1,342)	117%
17	COPS	209,000	209,000	766,245	(557,245)	367%
18	Sidewalk Improvement	500	500	270	230	54%
20	Street Lighting	55,578	55,664	34,481	21,183	62%
21	CFD 92-1 Mello Roos	-	120,555	64,049	56,506	53%
22	Fire Assessment	134,700	134,800	80,368	54,432	60%
23	Fire CFD 2004-1	137,521	139,322	79,759	59,563	57%
24	Police CFD 2004-1	380,608	386,610	216,141	170,469	56%
25	Animal Control CFD 2004-1	23,337	23,187	12,551	10,636	54%
26	Street Lighting CFD 2004-1	22,837	23,237	12,940	10,297	56%
27	Rec/Pool CFD 2004-1	175,504	177,831	98,653	79,178	55%
28	Drainage CFD 2004-1	24,977	25,537	15,625	9,912	61%
30	Parks AB1600	7,723	11,332	11,843	(511)	105%
31	Community Ctr AB1600	4,734	5,631	6,263	(632)	111%
32	Public Works AB 1600	1,630	2,303	2,513	(210)	109%
33	Gen Gov't AB1600	6,929	8,143	9,025	(882)	111%
34	Police AB1600	3,436	4,126	4,535	(409)	110%
35	Fire AB1600	5,249	6,733	6,102	631	91%
36	Roads/Signals AB1600	6,319	9,692	10,505	(813)	108%
39	Flood Control AB 1600	225	30	34	(4)	113%
50	Water Connection Fees	101,500	31,734	35,391	(3,657)	112%
51	Sewer Connection Fees	19,057	34,088	36,045	(1,957)	106%
52	Drainage Connection Fees	15,617	25,949	20,286	5,663	78%
58	ARPA Funding	19,000	18,000	17,559	441	98%
59	Capital Equipment Purchase Reserve	-	-	-	-	0%
90	CDBG HR Program Income	36,000	7,500	7,125	375	95%
92	HOME Housing Grants	-	2,200	4,612	(2,412)	210%
Total Revenues		\$ 10,346,357	\$ 10,571,222	\$ 6,298,034	\$ 4,273,188	60%

*No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

CITY OF LIVE OAK
Budget - to - Actual Expenditures (FY 2024-2025)
As of February 28, 2025

					Target	66.67%
Fund Number	Fund	Original Budget FY 2025	Amended Budget FY 2025	Year-to-Date FY 2025	Remaining Amounts	Y-T-D as a %
10	General Fund	\$ 4,906,775	\$ 5,326,810	\$ 2,140,644	\$ 420,035	40%
12	Water Enterprise	2,022,133	2,091,720	1,160,122	69,587	55%
13	Sewer Enterprise	3,618,524	3,453,998	1,659,332	(164,526)	48%
14	Streets - Gas Tax	664,258	656,494	431,501	(7,764)	66%
15	TDA Transportation Tax	5,900	5,800	2,253	(100)	39%
16	Traffic Safety	-	-	-	-	0%
17	COPS	495,500	528,000	290,166	32,500	55%
18	Sidewalk Improvement	-	-	-	-	0%
20	Street Lighting	63,800	63,800	28,897	-	45%
21	CFD 92-1 Mello Roos	63,700	66,200	31,708	2,500	48%
22	Fire Assessment	154,400	154,400	75,000	-	49%
23	Fire CFD 2004-1	203,200	188,200	100,000	(15,000)	53%
24	Police CFD 2004-1	525,500	505,500	256,086	(20,000)	51%
25	Animal Control CFD 2004-1	25,500	25,500	12,500	-	49%
26	Street Lighting CFD 2004-1	28,000	28,000	14,745	-	53%
27	Rec/Pool CFD 2004-1	193,800	195,200	96,094	1,400	49%
28	Drainage CFD 2004-1	7,500	12,000	4,482	4,500	37%
30	Parks AB1600	94,000	94,000	3,846	-	4%
31	Community Ctr AB1600	-	-	-	-	0%
32	Public Works AB 1600	-	-	-	-	0%
33	Gen Gov't AB1600	-	-	-	-	0%
34	Police AB1600	230,000	230,000	98,978	-	43%
35	Fire AB1600	60,000	345,500	348,383	285,500	101%
36	Roads/Signals AB1600	-	-	-	-	0%
39	Flood Control AB 1600	-	-	-	-	0%
50	Water Connection Fees	-	-	-	-	0%
51	Sewer Connection Fees	-	-	-	-	0%
52	Drainage Connection Fees	-	-	-	-	0%
58	ARPA Funding	850,000	1,148,200	92,838	298,200	8%
59	Capital Equipment Purchase Reserve	(125,000)	(125,000)	-	-	0%
90	CDBG HR Program Income	-	-	-	-	0%
92	HOME Housing Grants	-	-	-	-	0%
Total Expenditures		\$ 14,087,490	\$ 14,994,322	\$ 6,847,575	\$ 906,832	46%

*No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

CITY OF LIVE OAK
Budget - to - Actual General Fund Expenditures (FY 2024-2025)
As of February 28, 2025

Department	Target					66.67%
	Original Budget FY 2025	Amended Budget FY 2025	Year-to- Date FY 2025	Remaining Amounts	Y-T-D as a %	
City Council	\$ 120,419	\$ 121,730	\$ 96,491	\$ 25,239	21%	
Administrative services	407,121	385,847	324,293	61,554	16%	
Finance services	231,403	259,799	190,123	69,676	27%	
Legal	55,000	55,000	29,228	25,772	47%	
Nondepartmental	-	182,500	182,455	45	0%	
Police services	1,710,900	1,700,625	125,086	1,575,539	93%	
Fire services	662,162	931,164	(5,357)	936,521	101%	
Animal Services	42,000	42,000	25,679	16,321	39%	
Building inspection	216,373	114,225	72,704	41,521	36%	
Community development	302,968	279,875	206,807	73,068	26%	
Economic development	19,000	6,994	6,975	19	0%	
Engineering	26,500	26,500	36,698	(10,198)	-38%	
Park operations	510,347	504,795	345,760	159,035	32%	
Pool Operations	94,103	39,061	54,044	(14,983)	-38%	
Recreation services	372,046	485,650	294,707	190,943	39%	
Facility maintenance	136,433	191,046	154,951	36,095	19%	
Total General Fund Expenditures	\$ 4,906,775	\$ 5,326,810	\$ 2,140,644	\$ 3,186,166	60%	

*No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



**City of Live Oak
Report to City Council**

Meeting Date: March 19, 2025

Title: Water Rate Study

Contact Information: James Ramsey, Finance Director, and Jeff Nelson, Interim Public Works Director

Background:

In October 2024, the Yuba Sutter Economic Development Corporation (YSDEC), on behalf of the City of Live Oak, submitted an application to the State Water Resources Control Board (SWRCB) requesting technical assistance in performing a water rate study. The SWRCB accepted the application and agreed to provide resources to conduct the rate study through their Technical Assistance Program. The SWRCB assigned the water rate study to Provost and Pritchard Consulting Group, and their subconsultant, Lechowicz & Tseng Municipal Consultants (LTMC) to complete the rate study. LTMC specializes in providing legally sound rate studies and financial plans to water and sewer purveyors throughout the State of California.

In January, staff provided LTMC the with information to support the rate study, including water fund balance information, annual operating costs, water consumption data by month, billing amounts and revenues, and a preliminary capital improvement plan. This information was used as the basis of the water rate study.

During the meeting on March 5, 2025, the City Council heard from the Ms. Alison Lechowicz from LTMC consulting about the various approaches the City can take to update the water rates. The City Council directed LTMC to finalize the water rate study with an initial increase of up to 60%, and subsequent maximum increases ranging from 5% to 30% for each year thereafter.

The City is scheduling the Prop 218 hearing on May 28, 2025, at City Hall, as well as a community outreach event on April 23, 2025, at the Community Center.

Attached to the staff report is water rate study report with the aforementioned rate increase, as well as the Prop 218 notice and frequently asked questions (FAQ) document.

We are currently asking the City Council to approve the water rate study and authorize the printing and distribution of the Prop 218 notices to all affected customers with the listing of FAQ's.

Fiscal Impacts:

None.

Recommendation:

Approve water rate study and authorize mailing of Proposition (Prop) 218 Notices.

Attachments:

[Live Oak Draft Water Rate Study Report](#)
[Live Oak Prop 218 Notice](#)



Water Rate Study for the City of Live Oak

Final Report
March 11, 2025



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

909 Marina Village Parkway #135
Alameda, CA 94501
(510) 545-3182
www.LTmuniconsultants.com

TABLE OF CONTENTS

SECTION 1:	INTRODUCTION AND EXECUTIVE SUMMARY	1
1.1	Background	1
1.2	Requirements of Proposition 218.....	1
1.3	Rate Study Process.....	3
1.4	Proposed Rates	4
SECTION 2:	CUSTOMER BASE AND CURRENT RATE REVENUES.....	6
2.1	Current Rates	6
2.2	Rate Revenues.....	6
2.3	Water Consumption.....	7
2.4	Typical Bills.....	8
SECTION 3:	COST OF SERVICE	9
3.1	Summary of Net Revenues.....	9
3.2	Revenues.....	11
3.3	Expenses.....	11
3.4	Cash Flow Projection.....	14
SECTION 4:	COST ALLOCATION	17
4.1	Methodology.....	17
4.2	Proposed Cost Allocation.....	17
SECTION 5:	RATE DESIGN	19
5.1	Billing Units	19
5.2	Rate Design Considerations	20
5.3	Rate Design	20
5.4	Monthly Water Bill Comparison.....	24

LIST OF TABLES

Table 1:	Current and Proposed Rates	4
Table 2:	Current Monthly Rates.....	6
Table 3:	Current Customer Counts and Rate Revenues.....	7
Table 4:	Water Use (HCF).....	7
Table 5:	Typical Bills Under Current Rates.....	8
Table 6:	Budgeted FY2024/25 Revenues and Expenses	10
Table 7:	Operating Cost Projection.....	12
Table 8:	Capital Improvement Projects	13
Table 9:	Cash Flow Projection.....	15
Table 10:	Cost Allocation	18
Table 11:	Proposed Meter Equivalents.....	19
Table 12:	Rate Design.....	21
Table 13:	Proposed Monthly Water Rates.....	22
Table 14:	Bill Impacts	23

SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Background

The City of Live Oak (City) is a rural community located in northern Sutter County along the Highway 99 corridor between Yuba City and Chico. The City has a population of over 9,000 residents and encompasses an area of about 3.1 square miles. The City provides a full range of municipal services including water service to about 2,500 accounts consisting of the homes and businesses within its boundaries. The majority of the City's water service customers are single family residential homes. This rate study along with all work performed for the City by the Provost & Pritchard Consulting Group (P&P) was funded via an \$85,000 technical assistance grant through the State Water Board.

The City has not raised its water rates in at least 15 years and has some of the lowest rates in the region. As a result, the City's Water Fund is in poor financial condition. The fund is operating in a deficit meaning that revenues do not cover expenses. The City draws upon other funds to cover water utility costs. The total amount of these draws is estimated to be \$3.5 million by June 30, 2025. The primary goal of this water rate study is to reverse the deficit such that revenues are adequate to cover operating expenses. A secondary goal is to generate additional revenue to fund needed capital improvements, pay down existing debt, and begin repayment of the Water Fund's outstanding balance.

A third critical component of this rate study is to revise the rate structure to recover costs more fairly from customers. The current water rate structure's Minimum Charge includes an allotment of 20 hundred cubic feet (HCF) per month for customers with meter sizes up to 3/4" (most residential customers) and larger water usage allotments as meter size increases. Water usage above each customer's allotment is billed at a volume rate of \$1.41 per HCF. The proposed water rate structure eliminates the water allotment so that customers are billed a volume rate for all water consumed. This change aligns with Proposition 218 requirements that utility rates be proportional to how customers take service.

1.2 Requirements of Proposition 218

The implementation of public agency utility rates in California is governed by the substantive and procedural requirements of Proposition 218 the "Right to Vote on Taxes Act" which is codified as Articles XIIC and XIID of the California Constitution. The City must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. Noticing Requirement – The City must mail a notice of the proposed rate increases to all affected property owners. The notice must specify the amount of the fees, the basis upon which they were calculated, the reason for the fees, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.

2. Public Hearing – The City must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. Rate Increases Subject to Majority Protest – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners (counted one per parcel) submit timely written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to water rates and charges, including:

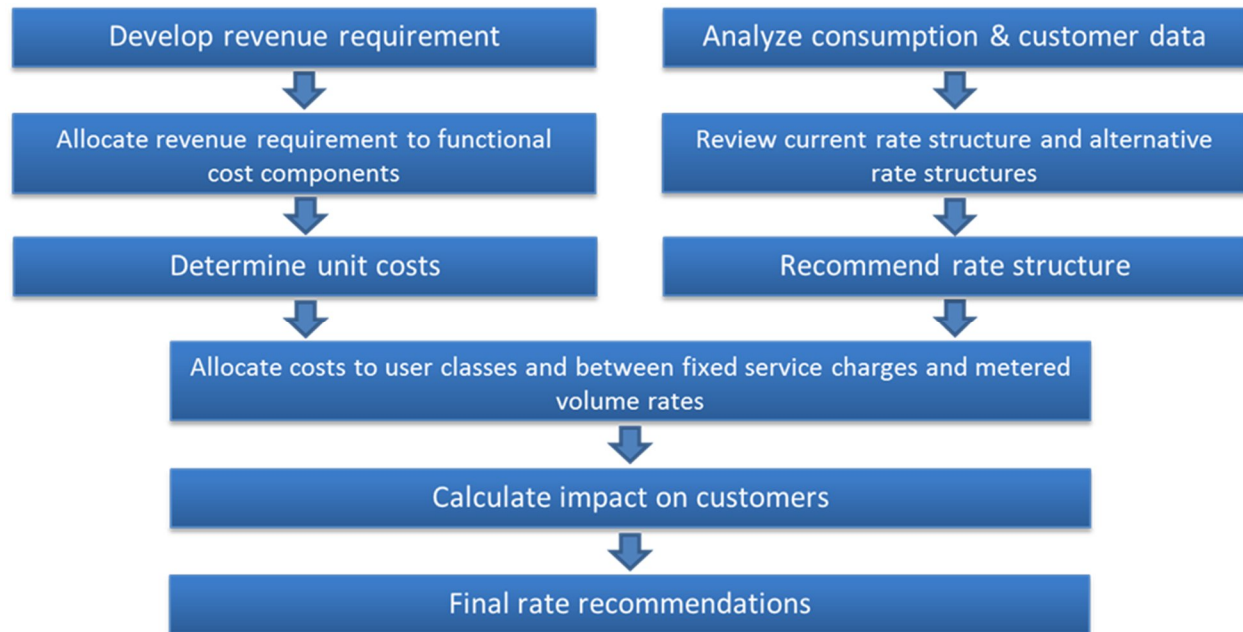
1. Cost of Service – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. Intended Purpose – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. Proportional Cost Recovery – The amount of the fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of service attributable to that parcel. Caselaw allows this determination to be made customer class-by-customer class rather than parcel-by-parcel.
4. Availability of Service – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property. Standby charges are approved as assessments on real property.
5. General Government Services – No property-related fee or charge may be imposed for general governmental services available to the public at large, as police and some fire services are.

Charges for water service are exempt from additional voting requirements of Proposition 218 for other property-related fees, provided the charges do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218.

1.3 Rate Study Process

A summary of the rate study process is provided in Figure 1.

Figure 1: Rate Study Process



The following is a brief description of the rate study process:

- **Revenue Requirement** – Revenue requirements are analyzed via a cash flow projection based on the best information currently available, such as the City’s historical operating results, budgets, audits, and input from staff. The cash flow serves as a roadmap for funding future operating costs and capital expenditures while maintaining long-term fiscal stability, all of which is calculated in this study to produce rates that will be necessary to recover only the projected cost of service per parcel under these proposed rates.
- **Cost of Service Allocation** - The cost of service process builds on the revenue requirement analysis and assigns water costs to functional cost components associated with the City’s major service functions: *meters and services*, *customer service*, *base demand*, and *extra demand*.
- **Rate Design** - Rate design involves developing a rate structure that fairly recovers costs from customers but does not exceed the proportional cost of the service attributable to each parcel. Final rate recommendations are designed to fund the City’s short- and long-term costs of providing service and fairly allocate costs to all customers.

The rates recommended in this report are based on the best available information gathered from the City's budgets, audits, and input from staff and the ratemaking consultant's professional opinion. The cost allocations proposed herein are based on industry standard practice. The proposed rates are based on the reasonable cost of providing service and do not exceed the proportional cost of the service attributable to each parcel.

1.4 Proposed Rates

Table 1 provides the current and proposed rates and average monthly water bills for a 3/4" meter (most residential customers). The proposed rates are designed to fund the water system's cost of service including new staff members and capital improvements. The volume rate is intended to cover the operating costs to deliver water to customers. All other costs (fixed operating costs, debt service, capital projects, repayment of prior deficits) are recovered from the meter fees and are phased in over the five-year rate study period.

It is proposed that the rates go into effect on July 1 of each year from 2025 through 2029. It is proposed that the Minimum Charge no longer include an allotment of water consumption and that all water consumption be charged a single rate per hundred cubic foot of consumption. Based on the analysis in this report, the proposed water service rates do not exceed the proportional cost of the service attributable to each parcel.

Table 1: Current and Proposed Rates

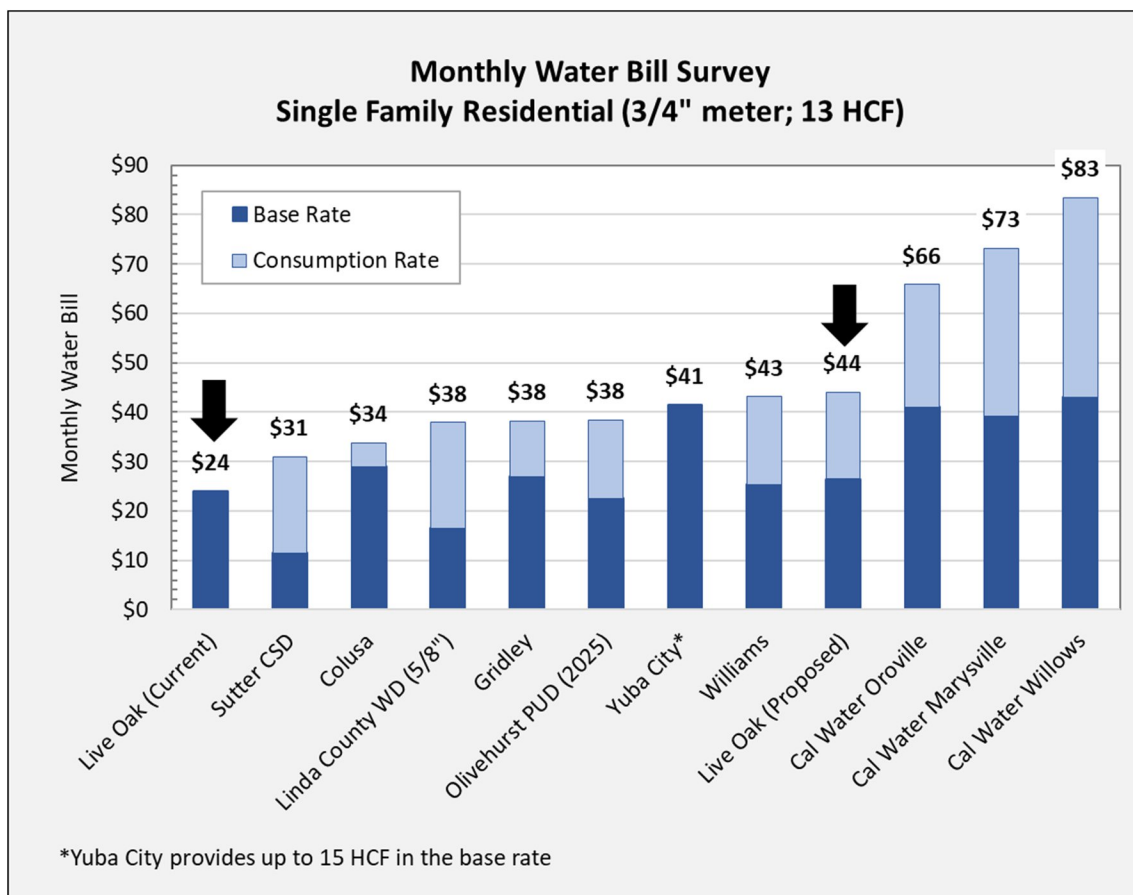
CURRENT			PROPOSED						
Meter Size	Use in Min Charge (HCF)	Minimum Charge			2025/26	2026/27	2027/28	2028/29	2029/30
			Meter Size	Use in Min Charge (HCF)	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029
up to 3/4"	20	\$23.97	up to 3/4"	0	\$26.45	\$37.84	\$54.03	\$56.62	\$59.30
1"	21	\$25.38	1"	0	\$44.08	\$63.07	\$90.05	\$94.37	\$98.83
1 1/2"	22	\$30.78	1 1/2"	0	\$88.17	\$126.13	\$180.10	\$188.73	\$197.67
2"	36	\$51.41	2"	0	\$141.07	\$201.81	\$288.16	\$301.97	\$316.27
3"	90	\$127.35	3"	0	\$282.13	\$403.63	\$576.32	\$603.95	\$632.53
4"	155	\$218.69	4"	0	\$440.83	\$630.67	\$900.50	\$943.67	\$988.33
6"	330	\$465.07	6"	0	\$881.67	\$1,261.33	\$1,801.00	\$1,887.33	\$1,976.67
Water Rate per HCF for Use over Minimum			Rate per HCF (all use)		\$1.35	\$1.49	\$1.57	\$1.65	\$1.75

HCF – hundred cubic feet; 1 HCF = 748 gallons

The average single family customer within the City of Live Oak is served by a ¾" meter and consumes 13 HCF of water per month. Based on current rates, the average customer only pays the minimum charge of \$23.97 which includes up to 20 HCF of usage. Under the July 1, 2025 proposed rates, the average customer will pay a minimum charge of \$26.45 plus usage charges of \$17.55 which equals a total monthly bill of \$44.

Figure 2 provides a survey comparing the City's current and proposed average bill with the bills charged by other local agencies. Live Oak's current bill is the lowest of the surveyed agencies. With the proposed rate increase, Live Oak's bill will fall in the mid-range of surveyed agencies and will be significantly less than the bills charged by California Water Service, a for-profit company.

Figure 2: Monthly Water Bill Survey



SECTION 2: CUSTOMER BASE AND CURRENT RATE REVENUES

2.1 Current Rates

A schedule of current monthly water rates is provided in Table 2. The City's current water rate structure consists of two components: (1) a Minimum Charge and (2) a Water (volume) Rate. All customers are billed a fixed monthly Minimum Charge based on the size of their water meter. The Minimum Charge includes an allotment of water use that varies with meter size such that larger meters have more water use included. For example, a customer with a 3/4" meter currently pays \$23.97 for up to 20 hundred cubic feet (HCF) per month while a customer with a 2" meter currently pays \$51.41 for up to 36 HCF per month. Usage above the amount included in the Minimum Charge is billed at a uniform Water Rate of \$1.41 per HCF. One HCF is equivalent to 748 gallons.

Table 2: Current Monthly Rates

Meter Size	Use Included in Minimum Charge (HCF)	Minimum Charge
up to 3/4"	20	\$23.97
1"	21	\$25.38
1 1/2"	22	\$30.78
1 3/4"	22	\$30.78
2"	36	\$51.41
3"	90	\$127.35
4"	155	\$218.69
6"	330	\$465.07
Water Rate per HCF for Use over Minimum		\$1.41

HCF - hundred cubic feet; one HCF = 748 gallons

2.2 Rate Revenues

The City provides water service to about 2,500 accounts. Table 3 provides current customer counts by meter size, water usage above the minimum, and annual rate revenues. Current water rates generate about \$931,000 annually. The majority of customers, over 97%, have the smallest meter size of up to 3/4". Water consumption above the minimum totals about 130,000 HCF per year. Approximately 80.3% of water rate revenues are collected from the Minimum Charge and 19.7% are collected from the Water (volume) Rate.

Table 3: Current Customer Counts and Rate Revenues

Meter Size	Use Included in Minimum Charge (HCF)	Minimum Charge	Count of Meters	Fixed Charge Revenue	Use Above Minimum (HCF)	Water Usage Revenue (\$1.41/HCF)	Total Annual Revenue	% of Total Revenue
up to 3/4"	20	\$23.97	2,419	\$695,801	73,652	\$103,849	\$799,650	85.9%
1"	21	\$25.38	18	\$5,482	3,073	\$4,333	\$9,815	1.1%
1 1/2"	22	\$30.78	13	\$4,802	3,671	\$5,176	\$9,978	1.1%
2"	36	\$51.41	24	\$14,806	21,073	\$29,713	\$44,519	4.8%
3"	90	\$127.35	7	\$10,697	21,885	\$30,858	\$41,555	4.5%
4"	155	\$218.69	4	\$10,497	6,486	\$9,145	\$19,642	2.1%
6"	330	\$465.07	<u>1</u>	<u>\$5,581</u>	<u>0</u>	<u>\$0</u>	<u>\$5,581</u>	<u>0.6%</u>
Total			2,486	\$747,666	129,840	\$183,074	\$930,741	100.0%
				80.3%		19.7%	100.0%	

2.3 Water Consumption

Table 4 summarizes current annual water usage by meter size including water usage included in the Minimum Charge. Total water usage is about 466,000 HCF per year. About 72% of total water usage falls within the minimums and is not billed the Water Rate.

Table 4: Water Use (HCF)

Meter Size	Use Included in Minimum Charge		Use Above Minimum		Total Use	
up to 3/4"	312,974	81%	73,652	19%	386,626	100%
1"	2,516	45%	3,073	55%	5,589	100%
1 1/2"	2,160	37%	3,671	63%	5,831	100%
2"	6,984	25%	21,073	75%	28,057	100%
3"	5,808	21%	21,885	79%	27,693	100%
4"	3,598	36%	6,486	64%	10,084	100%
6"	<u>1,734</u>	100%	<u>0</u>	0%	<u>1,734</u>	100%
Total	335,774		129,840		465,614	
	72%		28%		100%	

2.4 Typical Bills

Table 5 provides example monthly water bills for an average residential customer year-round (average over 12 months) as well as in the winter and summer months. Average annual consumption is 13 HCF per month. In winter, the average use is 7 HCF per month. In summer, the average use is 21 HCF per month. The current rate structure includes the first 20 HCF of usage in the Minimum Charge for 3/4" meters. Given that average usage does not exceed the usage included in the Minimum Charge, the average monthly bill is equal to the Minimum Charge of \$23.97. The typical customer's bill only exceeds the Minimum Charge in the summer.

Table 5: Typical Bills Under Current Rates

Average Monthly Bill (13 HCF)				
Fee Categories	Rate		Count of Units	Total Charges
Minimum Charge (3/4")	\$23.97	x	1	\$23.97
Usage (HCF)				
0 - 20 (included)	\$0.00	x	13	\$0.00
21+	\$1.41	x	<u>0</u>	<u>\$0.00</u>
			13	\$0.00
Total Monthly Bill				\$23.97
Average Winter Bill (7 HCF)				
Fee Categories	Rate		Count of Units	Total Charges
Minimum Charge (3/4")	\$23.97	x	1	\$23.97
Usage (HCF)				
0 - 20 (included)	\$0.00	x	7	\$0.00
21+	\$1.41	x	<u>0</u>	<u>\$0.00</u>
			7	\$0.00
Total Monthly Bill				\$23.97
Average Summer Bill (21 HCF)				
Fee Categories	Rate		Count of Units	Total Charges
Minimum Charge (3/4")	\$23.97	x	1	\$23.97
Usage (HCF)				
0 - 20 (included)	\$0.00	x	20	\$0.00
21+	\$1.41	x	<u>1</u>	<u>\$1.41</u>
			21	\$1.41
Total Monthly Bill				\$25.38

SECTION 3: COST OF SERVICE

This section provides an analysis of water system revenues and expenses to determine the total cost of service to be recovered via water rates. The cost of service is expressed in a cash flow table that illustrates revenue increases needed to keep up with expenses and promote financial health. Over the five-year rate study period, rate increases are proposed so that the City can pay for operating costs, fund capital improvements, and reverse the Water Fund deficit, all of which are calculated in this study to produce rates that will be necessary to recover only the actual cost of the water service per parcel under these proposed water rates.

3.1 Summary of Net Revenues

The Water Fund has operated at a deficit in recent years meaning that expenses are greater than revenues. Due to deficit spending, the water utility has exhausted its reserves and accumulated a negative fund balance. Table 6 shows the beginning fund balance, projected net revenues, and projected ending fund balance for fiscal year (FY) 2024/25. The Water Fund generates about \$932,000 in annual revenue but is projected to spend about \$1.65 million on operating costs. In addition, the City will spend about \$75,000 on debt service costs. The deficit this year (FY2024/25) is expected to total about \$788,000. This cost overrun will add to the Water Fund's negative balance. By June 30, 2025, it is projected that the Water Fund will owe other City funds a total of \$3.5 million, see Table 6.

The financial plan recommended in this report includes two years in the first portion of the rate plan where the Water Fund's negative fund balance is expected to continue to grow due to the proposed phase-in of rate adjustments. From year three of the rate plan onward, the Water Fund is projected to have positive total net revenues and will begin to repay its negative fund balance.

Table 6: Budgeted FY2024/25 Revenues and Expenses

	Budget 2024/25
Beginning Fund Balance	(\$2,712,200)
REVENUES	
Water Rate Revenues	926,600
Penalty Charges	<u>5,600</u>
Subtotal Operating Revenues	932,200
Total Revenues (does not include grants)	\$932,200
EXPENSES	
<i>Operating Expenses</i>	
Salaries & Benefits	773,900
Supplies, Equipment & Permits	117,300
System Maintenance	273,000
Utilities	255,000
Insurance	44,600
Administration & Overhead [1]	<u>181,300</u>
Subtotal Operating	1,645,100
Net Operating Revenues	(712,900)
Non-Operating Expenses	
(2005) Debt Service	<u>74,900</u>
Total Debt	74,900
Total Expenses	1,720,000
Total Net Revenues	(787,800)
Ending Fund Balance [2]	(\$3,500,000)

1 - Includes interfund transfers

2 - Estimated based on the best available information at the writing of this report.

3.2 Revenues

The Water Fund's primary source of revenue is water rates. Current water rates generate about \$931,000 annually (see Table 3). In addition, the City collects about \$5,600 annually in penalty charges. It is assumed that penalty revenues will remain the same throughout the duration of the rate plan. Beginning July 1, 2025 and continuing each July 1 from 2026 through 2029, a series of rate increases are proposed to fund the costs described in the sections below.

3.3 Expenses

The Water Fund's expenses include operating costs, capital improvement projects, debt service, and repayment of past deficits. Together these expenses comprise the total cost of service to be recovered from water rates.

3.3.1 Operating Costs

Water operating costs for FY2024/25 are projected to total roughly \$1.65 million, see Table 7. Table 7 also includes a projection of operating expenses over the next five years through FY2029/30. Escalation factors were determined using City input. Insurance is projected to increase by 25% each year. Utilities are projected to increase by 8% each year. All other operating costs are projected to increase by 4% per year to account for inflation. Salaries & Benefits are the largest operating cost, representing about 47% of total FY2024/25 expenses.

The operating cost projection also includes estimated new staffing costs. One new operator is planned for FY2025/26 and a second is planned for FY2026/27. These positions are allocated 75% to the Water Fund and 25% to the Sewer Fund. There are about 200 private backflow prevention devices within the City's service area that were originally funded by a grant. To ensure regulatory compliance, the City inspects and maintains these devices. One of the duties of the proposed new staff members will be to assume responsibility for backflow device inspections which will reduce the City's cost for outside service providers conducting the inspections.

Table 7: Operating Cost Projection

Operating Expenses		2025/26	2026/27	2027/28	2028/29	2029/30
Salaries & Benefits		4%	4%	4%	4%	4%
New Staff		4%	4%	4%	4%	4%
Supplies, Equipment & Permits		4%	4%	4%	4%	4%
System Maintenance		4%	4%	4%	4%	4%
Utilities		8%	8%	8%	8%	8%
Insurance		25%	25%	25%	25%	25%
Administration & Overhead		4%	4%	4%	4%	4%
	2024/25					
Operating Expenses	Budget	2025/26	2026/27	2027/28	2028/29	2029/30
Salaries & Benefits	773,900	804,900	837,100	870,600	905,400	941,600
New Staff	0	93,750	191,300	199,000	207,000	215,300
Supplies, Equipment & Permits [1]	117,300	72,000	74,900	77,900	81,000	84,200
System Maintenance	273,000	283,900	295,300	307,100	319,400	332,200
Utilities	255,000	275,400	297,400	321,200	346,900	374,700
Insurance	44,600	55,800	69,800	87,300	109,100	136,400
Administration & Overhead	<u>181,300</u>	<u>188,600</u>	<u>196,100</u>	<u>203,900</u>	<u>212,100</u>	<u>220,600</u>
Total Operating Expenses	\$1,645,100	\$1,774,350	\$1,961,900	\$2,067,000	\$2,180,900	\$2,305,000
Average Increase		7.9%	10.6%	5.4%	5.5%	5.7%

1 - Reflects a reduction in outside services for backflow device inspections. The new proposed staff member will perform that task in-house.

3.3.2 Capital Improvements

In addition to funding operating costs, the City intends to fund \$1.97 million in capital projects over the next five years, see Table 8. These projects are critical for the City to continue to provide safe and reliable water service to customers. The City is treating for arsenic and is in compliance with primary and secondary standards, which include taste and odor. Planned capital projects include replacing valves, maintaining and repairing backflow preventors, upgrading the water meter reading system, and making improvements to the Booster Pump Station (BPS). The City is also planning to inspect the water treatment systems to see if they are performing as expected and upgrade the Well 3 and Well 4 facilities, which will continue to help improve water quality.

Table 8: Capital Improvement Projects

Fiscal Year	2025/26	2027/28	2027/28	2028/29	2029/2030	5-Year Total
Building Repairs Well 1, Fix roof	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Inspection of water treatment systems	\$80,000	\$0	\$0	\$0	\$0	\$80,000
Valve replacement program	\$0	\$50,000	\$50,000	\$50,000		\$150,000
Inspect, maintain and repair backflow preventors	\$85,000	\$90,000	\$95,000	\$105,000	\$110,000	\$485,000
Well 3 and 4 upgrades - new backwash valves, backwash control system upgrades, new PLC's, etc.	\$0	\$50,000	\$50,000	\$0	\$0	\$100,000
Back-up Generator at Well 7	\$0	\$0	\$120,000	\$0	\$0	\$120,000
SCADA upgrade	\$0	\$250,000	\$0	\$0	\$0	\$250,000
Security system upgrade	\$60,000	\$0	\$0	\$0	\$0	\$60,000
Communication system upgrade	\$45,000	\$0	\$0	\$0	\$0	\$45,000
Upgrade Water Meter reading system	\$50,000	\$50,000	\$50,000	\$0	\$0	\$150,000
Empty and demolish BPS Sludge Storage Tank	\$280,000	\$0	\$0	\$0	\$0	\$280,000
Update Water Master Plan	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Booster Pump Station (BPS) Generator Automatic Transfer Switch installation	\$0	\$100,000	\$0	\$0		\$100,000
Total	\$750,000	\$590,000	\$365,000	\$155,000	\$110,000	\$1,970,000

3.3.3 Debt Service Costs

The Water Fund has one outstanding debt obligation—the 2005 Certificates of Participation of January 1, 2006 in the amount of \$1.441 million. Annual debt service totals about \$70,000 per year and the obligation will be paid off by July 1, 2044. The certificates were used to finance a water meter installation and improvement project. The certificates are backed by a pledge of net revenues to the Water Fund.

Most forms of debt available to utilities have legal requirements that obligate the borrower to maintain a debt coverage ratio typically ranging from 1.1 to 1.25. Essentially, this means that the borrower has a 10% to 25% financial buffer in excess of the annual debt payment amount. The 10% to 25% financial buffer can be used to fund capital improvements or be added to reserves. The Water Fund's target debt service coverage ratio is assumed to be 1.20. Debt coverage is calculated as:

$$(\text{Revenue} - \text{Operating Expenses}) / (\text{Debt Service})$$

Because the Water Fund has been operating at a deficit, it does not have sufficient operating revenues to meet its debt coverage requirement. Without a rate increase, the Water Fund will continue to fail to meet its coverage requirement of 1.20 in subsequent years due to insufficient operating revenues. Thus,

rates and fees must be set to meet this requirement. The rate plan proposed in this report is designed to generate operating revenues that allow the Water Fund to meet and exceed its debt coverage requirement by year three of the rate plan.

3.3.4 Reserves

The Water Fund is estimated to have a negative fund balance of \$3.5 million to begin FY2025/26. Given the Water Fund's significant negative position, it is not projected that the Water Fund will accumulate sufficient funds to generate an operating reserve during this rate study period. However, the accumulation of reasonable reserves will be a factor to consider when determining the cost of service in the future when the Water Fund reverses its deficit and becomes solvent.

Utilities should maintain reserves to fund issues such as unexpected costs and emergency repairs, to provide cash flow in case of customer billing or revenue collection issues, and to provide financial stability in case of lower water sales due to drought. The City does not have a reserve policy in place dictating an operating reserve target for the Water Fund. Industry standards recommend an operating reserve target of at least 25% of annual operating expenses to account for the time (at least 4 months) that it would take the City to approve new rate increases in compliance with Proposition 218. It is also common for utilities to maintain additional reserve funds such as a capital reserve or debt service reserve.

3.4 Cash Flow Projection

The cash flow projection which is designed to fund the Water Fund's cost of service described in the preceding sections is provided in Table 9 and Figure 3. The cash flow spans the five-year rate study period from FY2025/26 to FY2029/30. Over the next five years, a series of rate revenue increases are proposed to be phased in. Overall, it is recommended that rate revenues increase from \$927,000 (current) to \$2.76 million in FY2029/30, a cumulative revenue increase of 198%.

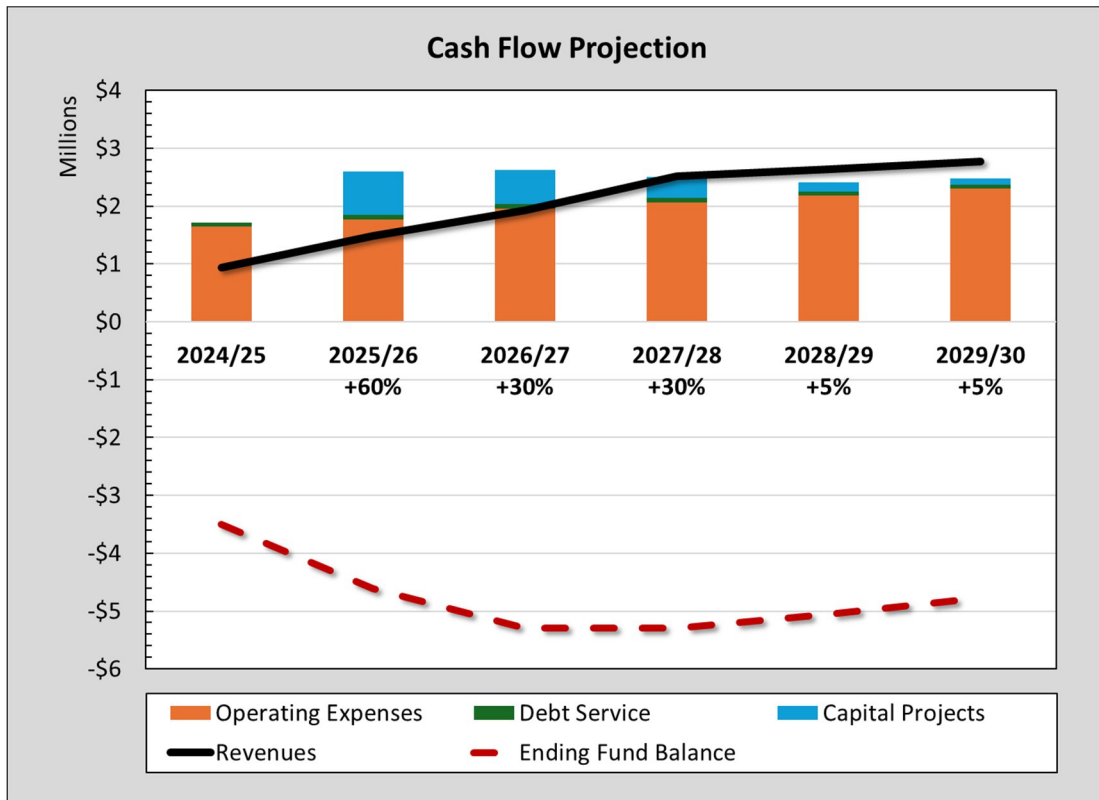
The proposed annual rate revenue increases are 60% on July 1, 2025, 30% on July 1, 2026 and July 1, 2027, and 5% on July 1, 2028 and July 1, 2029. A smaller initial rate increase is not recommended due to the financial difficulties facing the Water Fund. Not every customer will receive water bill increases exactly equal to the rate revenue increase percentages due to changes in rate structure and individual water usage characteristics. These percentages represent increases in the total rate revenues of the water utility across all customers.

With the recommended rate increases, the City's financial health is projected to improve by year 3 of the rate plan at which time the operating deficit will be reversed. Due to the proposed phasing in of rate revenue increases, the Water Fund is proposed to have negative net operations for the first two years before net revenues will be sufficient to begin repaying the prior accrued negative balance. Over the course of the five years, the Water Fund is projected to have an additional accrual of about \$1.8 million in negative fund balance. However, from year three of the rate plan onward, the Water Fund will begin to repay about \$530,000 of prior negative fund balance.

Table 9: Cash Flow Projection

	Projected: Years 1 - 5 (Prop 218 Period)				
	2025/26	2026/27	2027/28	2028/29	2029/30
Rate Increase	60.0%	30.0%	30.0%	5.0%	5.0%
Date of Rate Change	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029
Rate Revenues over 12 months	\$1,482,600	\$1,927,400	\$2,505,600	\$2,630,900	\$2,762,400
Beginning Fund Balance	(\$3,500,000)	(\$4,609,350)	(\$5,299,750)	(\$5,290,350)	(\$5,057,850)
REVENUES					
Water Rate Revenues	1,482,600	1,927,400	2,505,600	2,630,900	2,762,400
Penalty Charges	<u>5,600</u>	<u>5,600</u>	<u>5,600</u>	<u>5,600</u>	<u>5,600</u>
Total Revenues	1,488,200	1,933,000	2,511,200	2,636,500	2,768,000
EXPENSES					
<u>Operating Expenses</u>					
Salaries & Benefits	804,900	837,100	870,600	905,400	941,600
New Staff Member	93,750	191,300	199,000	207,000	215,300
Supplies, Equipment & Permits	72,000	74,900	77,900	81,000	84,200
System Maintenance	283,900	295,300	307,100	319,400	332,200
Utilities	275,400	297,400	321,200	346,900	374,700
Insurance	55,800	69,800	87,300	109,100	136,400
Administration & Overhead	<u>188,600</u>	<u>196,100</u>	<u>203,900</u>	<u>212,100</u>	<u>220,600</u>
Subtotal Operating	1,774,350	1,961,900	2,067,000	2,180,900	2,305,000
Net Operating Revenues	(286,150)	(28,900)	444,200	455,600	463,000
Non-Operating Expenses					
Capital Projects	750,000	590,000	365,000	155,000	110,000
(2005) Debt Service	73,200	71,500	69,800	68,100	66,400
Total Expenses	2,597,550	2,623,400	2,501,800	2,404,000	2,481,400
Total Net Revenues	(1,109,350)	(690,400)	9,400	232,500	286,600
Ending Fund Balance	(4,609,350)	(5,299,750)	(5,290,350)	(5,057,850)	(4,771,250)
Coverage Ratio (1.20x)	-3.91	-0.40	6.36	6.69	6.97
Target Met?	<i>no</i>	<i>no</i>	yes	yes	yes

Figure 3: Cash Flow Projection



SECTION 4: COST ALLOCATION

The prior section determined the total cost of providing water service to customers. In this section, the cost of service is allocated to rates to fairly recover costs based on how customers use the system, and in any event, not to exceed the proportional cost of the water service attributable to each parcel.

4.1 Methodology

The American Water Works Association (AWWA) recommends methods to classify costs among various customers. Using the Base-Extra Capacity Method as recommended by the AWWA, water operating expenses are allocated to the following categories: (a) Base, (b) Extra, (c) Meters and Services, and (d) Customer Service. The Base and Extra categories are intended to recover the costs to deliver water to customers, while the Customer Service and Meters and Services categories are intended to recover expenses related to maintaining infrastructure in the system to supply water at all times under the proposed water service rates in this study. A summary of the cost allocation categories is provided below:

- *Base:* Base costs include the expenses related to providing water under average (“base”) demand conditions.
- *Extra:* The extra category includes costs related to providing water above the system average demand (i.e., related to peak, “extra” usage).
- *Meters and Services:* These include costs related to maintaining infrastructure and operating capacity to provide service at any time under the proposed water service fee rates in this study.
- *Customer Service:* This category contains costs associated with serving customers, such as billing and answering customer inquiries.

4.2 Proposed Cost Allocation

This section determines the percentage of the annual revenue requirement to be collected from each rate or charge (consisting of the usage rate and the fixed minimum charge) based on the actual costs attributable to each rate or charge and establishes that each parcel’s total water bill will not exceed the proportional cost of service for that parcel.

It is proposed that the AWWA recommended cost categories of Base and Extra be combined as the proposed usage rate is a single tier applied to all levels of use. The usage rate is proposed to recover utilities and maintenance costs as well as 50% of supplies, equipment, and permits, see Table 10. The fixed minimum charge is proposed to be made up of the AWWA recommended cost categories Meters and Services and Customer Service. The fixed charge will recover expenses for salaries and benefits for

existing and new employees, insurance, administration, overhead, and 50% of supplies, equipment, and permit costs.

Table 10 below allocates the budgeted costs for FY2025/26, where the base fee for operations and maintenance is correlated with the actual costs regardless of the amount of customers' water use and the usage (volume) rate for water delivery is correlated with the actual costs of water service at those levels, respectively. The FY2025/26 cost of each category is multiplied by the allocation percentages shown to calculate the total amount of revenue to be recovered from the usage and fixed rates for operating expenses. In total, the usage rate is proposed to recover 33.6% of operating costs and the fixed minimum charge is proposed to recover 66.4% of operating costs. The usage/volume rate is intended to recover the costs of delivering water to customers. The proposed fixed meter fees are intended to recover the fixed operating costs shown below plus debt service costs, capital expenses, and repayment of prior deficits.

Table 10: Cost Allocation

	FY2025/26 Budget	Base & Extra Volume	Meters & Services Fixed
Operating Expenses			
Salaries & Benefits	804,900	0%	100%
New Employee	93,750	0%	100%
Supplies, Equipment & Permits	72,000	50%	50%
System Maintenance	283,900	100%	0%
Utilities	275,400	100%	0%
Insurance	55,800	0%	100%
Administration & Overhead	<u>188,600</u>	<u>0%</u>	<u>100%</u>
Total Operating Costs	1,774,350	595,300	1,179,050
Cost Allocation		33.6%	66.4%

SECTION 5: RATE DESIGN

Following the allocation of costs, the next step is to derive the total cost responsibility for each customer class by developing unit costs of service for each cost function and then assigning those costs to the customer classes based on the respective service requirements of each.

5.1 Billing Units

AWWA guidelines recommend using meter equivalents to assign demand-related costs to larger meter sizes. The ratio at which the meter charge increases is typically a function of either meter investment (estimated cost) or the meter's safe operating capacity. Larger meters have the ability to place a greater demand on the water system and are therefore charged based on that potential demand. For example, based on the AWWA meter capacity ratios, a customer that has a 2" meter has 5.33 times the capacity equivalency of a customer with a 3/4" meter—a 2" meter has a safe operating capacity of 160 gallons per minute (gpm) compared to a 3/4" meter which has a safe operating capacity of 30 gpm.

Table 11 shows the proposed meter equivalents based on AWWA standards. The alignment of the fixed rates with the proposed meter equivalents will ensure that each meter size is charged based on their proportional impact on the system. The number of proposed meter equivalents is 2,795.

Table 11: Proposed Meter Equivalents

Meter Size	# of Meters	Operating Capacity (gpm) [1]	Meter Ratio	# of Meter Equivalents [2]
3/4"	2,419	30	1.00	2,419.00
1"	18	50	1.67	30.00
1.5"	13	100	3.33	43.33
2"	24	160	5.33	128.00
3"	7	320	10.67	74.67
4"	4	500	16.67	66.67
6"	<u>1</u>	1,000	33.33	<u>33.33</u>
Total	2,486			2,795.00

1 - gpm = gallons per minute

2 - Meter Ratio times number of meters

5.2 Rate Design Considerations

One goal of this rate study is to revise the rate structure to recover costs more fairly from customers. The proposed water rate structure described under each of the following three rate options eliminates the water allotment included in the Minimum Charge so that customers are billed a volume rate for all water consumed. Currently, for customers with a 3/4" meter, the Minimum Charge includes 20 HCF of water usage per month. However, the average customer uses only 13 HCF per month, meaning that the average customer is paying for water which they are not using. By eliminating the water usage included with the Minimum Charge, customers would only pay for each actual unit of water usage and would have greater control over their bills.

5.3 Rate Design

5.3.1 Rate Calculation

Table 12 provides the calculation of the fixed and usage (volume) rate. The cost allocation percentages (derived in Table 10) are applied to the operating costs for each year (Table 9) to determine the revenue requirement for the fixed and volume operating cost components. In addition, revenues for capital costs, debt service costs, and repayment of prior deficits are added to the meter fee.

The revenue requirement for the volume rate is divided by estimated annual water usage to calculate the rate per HCF. A 5% conservation factor was applied to prior year water use (Table 4) to project annual water consumption over the next five years. This factor accounts for some reduction in usage as customers respond to the increase in the rates. The revenue requirement for the fixed rate is divided by the total number of meter equivalents (Table 11) then divided by 12 months to calculate a monthly rate per meter equivalent. To be conservative, it is estimated that no new customers will connect to the system over the next five years and that both the number of meter equivalents and annual water usage will remain constant.

For FY2025/26, the volume rate revenue requirement of \$595,300 (Table 10) divided by estimated usage of 442,333 HCF results in a proposed rate of \$1.35 per HCF. The fixed rate revenue requirement of \$887,300 divided by 2,795 meter equivalents results in a proposed rate of \$26.45 per meter equivalent per month.

Table 12: Rate Design

	2025/26	2026/27	2027/28	2028/29	2029/30
Volume Rate Revenues	\$595,300	\$658,224	\$693,485	\$731,699	\$773,335
Fixed Rate Revenues	<u>\$887,300</u>	<u>\$1,269,176</u>	<u>\$1,812,115</u>	<u>\$1,899,201</u>	<u>\$1,989,065</u>
Total	\$1,482,600	\$1,927,400	\$2,505,600	\$2,630,900	\$2,762,400
Volume Rate Revenue	\$595,300	\$658,224	\$693,485	\$731,699	\$773,335
Usage (HCF)	442,333	442,333	442,333	442,333	442,333
Rate per HCF	\$1.35	\$1.49	\$1.57	\$1.65	\$1.75
Fixed Rate Revenues	\$887,300	\$1,269,176	\$1,812,115	\$1,899,201	\$1,989,065
Meter Equivalents	2,795.00	2,795.00	2,795.00	2,795.00	2,795.00
Rate per Equiv per month	\$26.45	\$37.84	\$54.03	\$56.62	\$59.30

5.3.2 Proposed Five-Year Rate Plan

Table 13 provides the five-year schedule of proposed rates. To calculate the proposed fixed monthly rates for meter sizes above 3/4", the rate per meter equivalent per month (from Table 12) is scaled by the meter ratio for each meter size (Table 11). The water use included in the Minimum Charge is proposed to be eliminated and all usage will be billed the rate per HCF. The rates are calculated in this study as described above to produce rates that will be necessary to recover only the actual cost of the water service per parcel. If the rates are adopted, then the rates for the water service fees in Table 13 will also apply to any additional connections built out in the City in the future.

The bottom portion of Table 13 provides a sample calculation of the proposed average bill for residential customers. The City's average residential customer has a 3/4" meter and uses 13 HCF of water per month. Under the proposed rates, this customer's bill would increase from \$23.97 to \$44.00 per month on July 1, 2025, an increase of \$20.03 or about 84%.

Table 13: Proposed Monthly Water Rates

CURRENT			PROPOSED						
Meter Size	Use in Min Charge (HCF)	Minimum Charge			2025/26	2026/27	2027/28	2028/29	2029/30
			Meter Size	Use in Min Charge (HCF)	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029
up to ¾"	20	\$23.97	up to ¾"	0	\$26.45	\$37.84	\$54.03	\$56.62	\$59.30
1"	21	\$25.38	1"	0	\$44.08	\$63.07	\$90.05	\$94.37	\$98.83
1 ½"	22	\$30.78	1 ½"	0	\$88.17	\$126.13	\$180.10	\$188.73	\$197.67
2"	36	\$51.41	2"	0	\$141.07	\$201.81	\$288.16	\$301.97	\$316.27
3"	90	\$127.35	3"	0	\$282.13	\$403.63	\$576.32	\$603.95	\$632.53
4"	155	\$218.69	4"	0	\$440.83	\$630.67	\$900.50	\$943.67	\$988.33
6"	330	\$465.07	6"	0	\$881.67	\$1,261.33	\$1,801.00	\$1,887.33	\$1,976.67
Water Rate per HCF for Use over Minimum			Rate per HCF (all use)		\$1.35	\$1.49	\$1.57	\$1.65	\$1.75
Average Bill					\$44.00	\$57.21	\$74.44	\$78.07	\$82.05
¾" Meter, 13 HCF					84%	30%	30%	5%	5%

5.3.3 Bill Impacts

For FY2025/26, the proposed 60% rate revenue adjustment from the cash flow does not directly correlate to a 60% increase in rates for each customer due to the cost of service reallocation and the updated rate structure (i.e. the updated meter equivalent ratios and the elimination of water usage included with the Minimum Charge). Because of the reallocation, the bill impacts to customers for the first year will vary based on meter size and actual consumption. Moreover, water consumption, particularly for single family residential customers, typically varies due to seasonal changes in weather conditions and/or other factors. Hence, a single customer could face a range of impacts throughout the year.

Table 14 provides sample bill impacts for a ¾" meter at various levels of use under the proposed rates based on the typical average residential monthly usage, winter usage, and summer usage. As shown in the table, higher water usage will result in higher bill impacts and the typical summer bill is proposed to increase to a greater extent than the typical winter bill, reflecting a higher percentage of water rate revenues recovered through the usage rates.

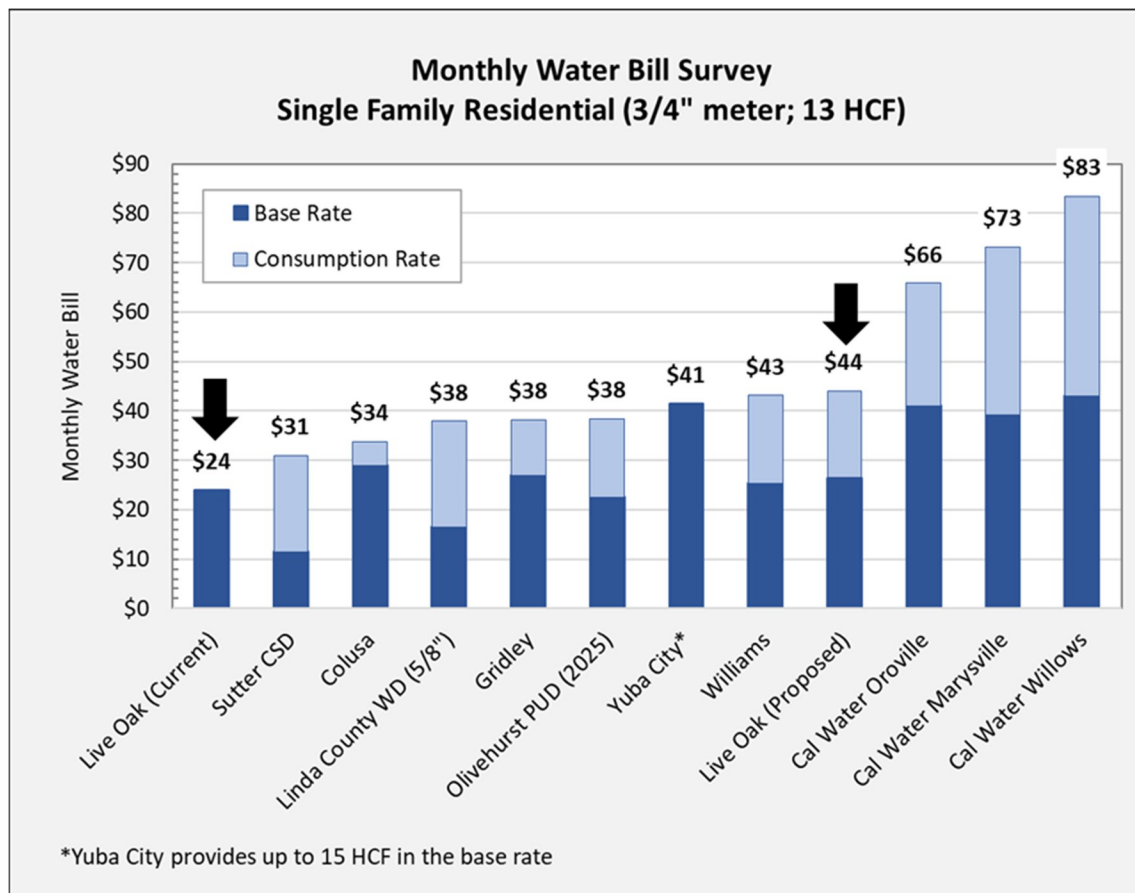
Table 14: Bill Impacts

CURRENT					PROPOSED				
Average Monthly Bill (13 HCF)									
Fee Categories	Rate		Count of Units	Total Charges	Fee Categories	Rate		Count of Units	Total Charges
Minimum Charge (3/4")	\$23.97	x	1	\$23.97	Meter Fee (3/4")	\$26.45	x	1	\$26.45
Usage (HCF)					Usage (HCF)				
0 - 20 (included)	\$0.00	x	13	\$0.00	All Use	\$1.35	x	13	\$17.55
21+	\$1.41	x	<u>0</u>	<u>\$0.00</u>					
			13	\$0.00					
Total Monthly Bill				\$23.97	Total Monthly Bill				\$44.00
									84%
Average Winter Bill (7 HCF)									
Fee Categories	Rate		Count of Units	Total Charges	Fee Categories	Rate		Count of Units	Total Charges
Minimum Charge (3/4")	\$23.97	x	1	\$23.97	Meter Fee (3/4")	\$26.45	x	1	\$26.45
Usage (HCF)					Usage (HCF)				
0 - 20 (included)	\$0.00	x	7	\$0.00	All Use	\$1.35	x	7	\$9.45
21+	\$1.41	x	<u>0</u>	<u>\$0.00</u>					
			7	\$0.00					
Total Monthly Bill				\$23.97	Total Monthly Bill				\$35.90
									50%
Average Summer Bill (21 HCF)									
Fee Categories	Rate		Count of Units	Total Charges	Fee Categories	Rate		Count of Units	Total Charges
Minimum Charge (3/4")	\$23.97	x	1	\$23.97	Meter Fee (3/4")	\$26.45	x	1	\$26.45
Usage (HCF)					Usage (HCF)				
0 - 20 (included)	\$0.00	x	20	\$0.00	All Use	\$1.35	x	21	\$28.35
21+	\$1.41	x	<u>1</u>	<u>\$1.41</u>					
			21	\$1.41					
Total Monthly Bill				\$25.38	Total Monthly Bill				\$54.80
									116%

5.4 Monthly Water Bill Comparison

Figure 4 provides a bill survey comparing the City of Live Oak's typical single family customer bill with those of other local agencies. The survey includes the current bill for 13 HCF of monthly usage as well as the proposed monthly bill. Under current rates, the average residential customer pays about \$24 per month for water service which is the lowest of all bills surveyed.

Figure 4: Monthly Water Bill Survey



As a point of comparison, the City's monthly bill for sewer service was also compared to that of other local agencies, see Figure 5. The City's current residential sewer service rate is a fixed charge of \$68.80 per month which is on the higher end of the agencies surveyed. The City's sewer rates were not evaluated as part of this study, but the comparison is useful to assess impacts on customers' total utility bills which include both water and sewer service.

Figure 5: Monthly Sewer Bill Survey

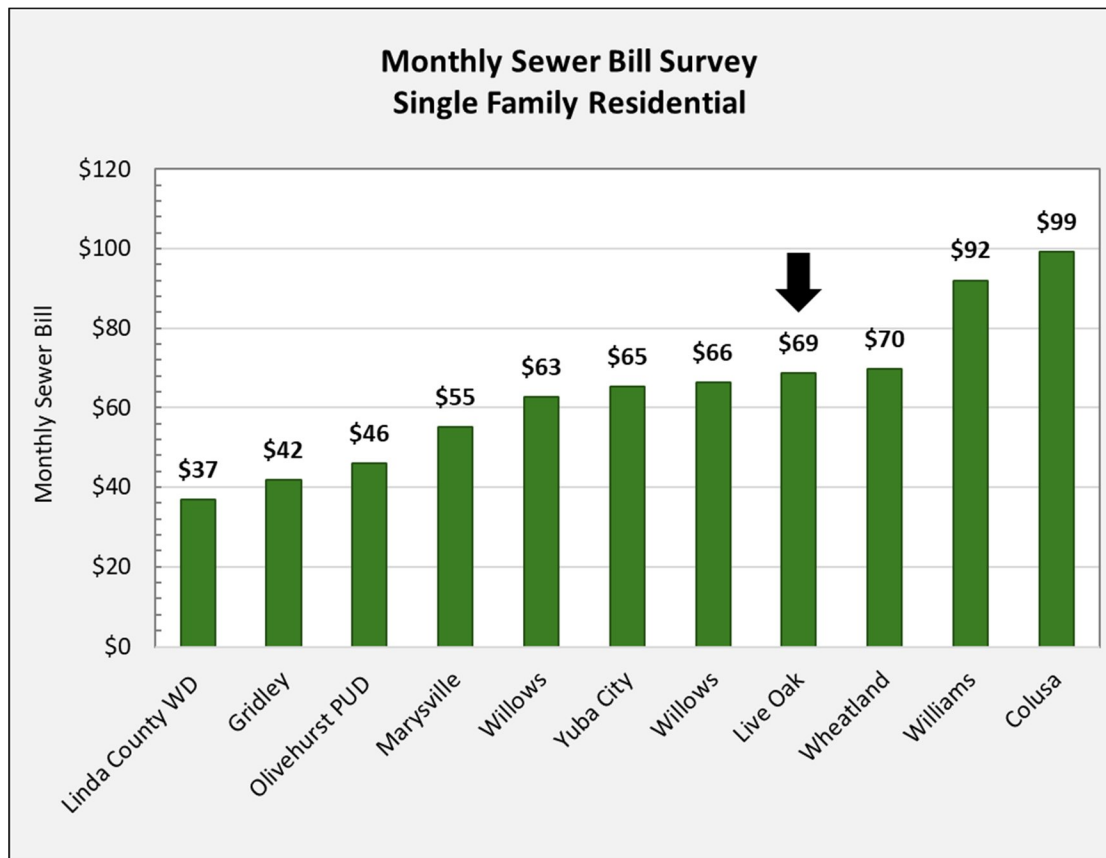
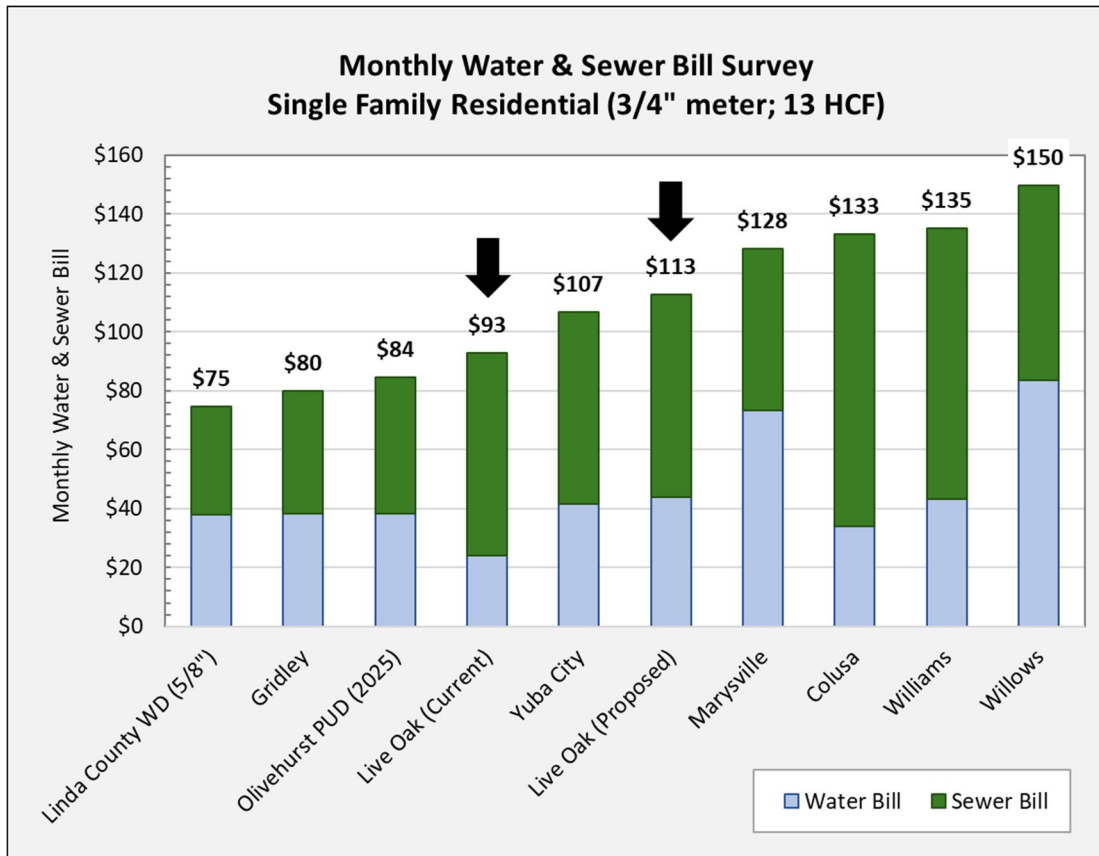


Figure 6 combines the data from Figure 4 and Figure 5 to show how the City's current and proposed combined water and sewer bill compares to other local agencies. The City's current and proposed combined bills are in the middle of the range of agencies surveyed.

Figure 6: Monthly Combined (Water & Sewer) Bill Survey





City of Live Oak
9955 Live Oak Blvd
Live Oak, CA 95953
(530) 695-2112

**NOTICE OF PUBLIC HEARING REGARDING
PROPOSED ADJUSTMENTS TO WATER RATES UNDER PROPOSITION 218**

**May 28, 2025 at 6:00 p.m.
at the City Council Chambers
9955 Live Oak Blvd, Live Oak, CA 95953**

A COMMUNITY OUTREACH MEETING WILL BE HELD ON

**April 23, 2025 at 6:00 p.m.
at the Live Oak Community Building
10200 O St, Live Oak, CA 95953**

You are receiving this notice as owner of property or a ratepayer receiving water service from the City of Live Oak (City). The City Council will hold a public hearing on May 28, 2025, to hear public input and to consider and potentially approve water rate changes for the next five years.

Background

The City provides water service to about 2,500 accounts consisting of the homes and businesses within its boundaries. The majority of the City's water service customers are single family residential homes. The State Water Board provided the City with an \$85,000 grant for engineering assistance and to engage an independent ratemaking consultant. The consultant conducted a rate study to review its revenues, expenses, and capital improvement costs of the water system for the next five years and to recommend rates sufficient to cover those costs. In addition, the rate study proposed adjustments to the water rate structure to ensure equitable rates for all customers.

The City has not raised its water rates for at least 15 years. As a result, the City's Water Fund is in poor financial condition. The Water Fund is operating in a deficit, meaning that revenues do not cover expenses, and the City has spent down all available Water Fund reserves. Projections show that the Water Fund will have a negative balance of \$3.5 million, reflecting the amount it has borrowed from other City funds. The City does not have the financial resources to continue to subsidize the water rates.

The primary goal of the proposed water rate increases is to reverse the deficit such that revenues are adequate to cover operating expenses. A secondary goal is to generate revenue to fund necessary capital improvements, pay down existing debt, and begin repayment of the Water Fund's outstanding balance.

Proposed Rates

Table 1 identifies the current water rates and proposed changes. If adopted, the rates will be implemented July 1 of each year from 2025 through 2029. The City's current water rate structure includes two components: (1) a Minimum Charge and (2) a Water (volume) Rate. All customers are billed a fixed monthly Minimum Charge based on the size of their water meter. The current Minimum Charge includes an allotment of water usage that increases as meter size increases. Water usage above each customer's allotment is billed the Water (volume) Rate of \$1.41 per HCF. One HCF = 748 gallons.

The proposed water rate structure includes a fixed monthly rate based on meter size and a volume rate based on water consumption. However, the proposed rate structure eliminates the water allotment meaning that customers are proposed to be billed the volume rate for all water consumed. This change aligns with the Proposition 218 requirement that utility rates be proportional to how customers take service.

Table 1: Current and Proposed Monthly Water Rates

CURRENT			PROPOSED							
				2025/26	2026/27	2027/28	2028/29	2029/30		
Meter Size	Use in Min Charge (HCF)	Minimum Charge	Meter Size	Use in Min Charge (HCF)	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	
up to 3/4"	20	\$23.97	up to 3/4"	0	\$26.45	\$37.84	\$54.03	\$56.62	\$59.30	
1"	21	\$25.38	1"	0	\$44.08	\$63.07	\$90.05	\$94.37	\$98.83	
1 1/2"	22	\$30.78	1 1/2"	0	\$88.17	\$126.13	\$180.10	\$188.73	\$197.67	
2"	36	\$51.41	2"	0	\$141.07	\$201.81	\$288.16	\$301.97	\$316.27	
3"	90	\$127.35	3"	0	\$282.13	\$403.63	\$576.32	\$603.95	\$632.53	
4"	155	\$218.69	4"	0	\$440.83	\$630.67	\$900.50	\$943.67	\$988.33	
6"	330	\$465.07	6"	0	\$881.67	\$1,261.33	\$1,801.00	\$1,887.33	\$1,976.67	
Water Rate per HCF for Use over Minimum			\$1.41	Rate per HCF (all use)		\$1.35	\$1.49	\$1.57	\$1.65	\$1.75

HCF = hundred cubic feet; 1 HCF = 748 gallons

How to Participate

On April 23, 2025 at 6:00 p.m., the City will conduct a community outreach meeting at the Live Oak Community Building at 10200 O St, Live Oak, CA 95953. The ratemaking consultant will provide a presentation explaining the need for the rate increases and will be available to answer questions.

These proposed rate increases are governed by section 6 of Article XIII D of the California Constitution (Proposition 218), Government Code sections 53751 et seq. and 53759 et seq., and related laws. Property owners subject to the proposed rates and other interested members of the public may participate in this ratemaking in a variety of ways. First, more information and the Water Rate Study Report are on the City's website at <https://www.liveoakcity.org/> or you can call (530) 695-2112. Second, the City will hold a public hearing on Wednesday May 28, 2025 to receive public comment, including any written protests to the proposed rates. Any property owner or other ratepayer may submit one written protest per parcel. Immediately following the close of the public hearing on

May 28, 2025, protests will be counted. If valid protests are submitted for a majority of the parcels subject to the proposed rate increases, the City will not adopt the rates.

How do I file a protest or participate in the public hearing?

Proposition 218 provides that “Property Related Fees” such as these proposed rates are subject to a “majority protest” process. Any property owner or other ratepayer may submit a written protest of the proposed rates; provided, however, that only one protest will be counted per property. If protests are filed on behalf of a majority of the properties subject to the rates, the City cannot adopt the proposed rates.

Every written protest MUST include ALL of the following to be counted:

1. A statement that it is a protest against the proposed water rates;
2. Name of the property owner or other customer who is submitting the protest;
3. Identification of the assessor’s parcel number or street address (service address) of the property for which the protest is made; and
4. An original signature of the record owner or other customer who is submitting the protest.

Written protests may be submitted by:

1. Mail to: Prop 218 Protest, 9955 Live Oak Blvd, Live Oak, CA 95953 or
2. In-person delivery during normal business hours to 9955 Live Oak Blvd, Live Oak, CA 95953;
or
3. At the Public Hearing, before the end of the Public Hearing.

Regardless of how the written protest is submitted, it must be received by the City before the end of the public hearing to be held on May 28, 2025 beginning at 6:00 p.m. at the City Council Chambers at 9955 Live Oak Blvd, Live Oak, CA 95953. (Postmark dates will not be accepted.) To ensure protests are genuine, they will not be accepted by e-mail or other electronic means. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the City, that the enclosed protest is for Public Hearing on the Proposed Water Rate Increases. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest, but the City welcomes that input.

At the end of the public hearing, protests will be counted in public view. If protests are not submitted as to a majority of the properties subject to the fees, the City may adopt the proposed rates. The first rate change, if approved, will take effect on or after July 1, 2025.

Pursuant to California Government Code 53759, a 120-day statute of limitations applies to any legal challenge to a new, increased, or extended fee. All written objections must be submitted before the end of the public hearing as stated above and a failure to timely object in writing bars any right to challenge that fee or assessment through a legal proceeding.



WATER RATE FREQUENTLY ASKED QUESTIONS

1) When did the City last increase the rates?

The City last increased the rates over 15 years ago. As a result, the City rates are among the lowest in the region.

2) Why is the City proposing a rate increase?

The water utility is operating at a deficit meaning that expenses are greater than revenues. To cover costs, the Water Fund is projected to borrow \$3.5 million from other City funds through June 2025. The City cannot afford to subsidize the water rates any longer.

3) What costs are recovered from the water rates?

Monthly water rates are the source of revenue used to pay the operating expenses of the water system. Operating expenses include, but are not limited to, staffing, administration, electricity, equipment, repair and maintenance of aging infrastructure, and the Water Fund's annual debt service payment. The City does not profit from rates paid by customers and can only charge rates equivalent to the cost of providing services.

4) Why is the base allotment of water (20 HCF for most customers) proposed to be eliminated?

Legal requirements under Proposition 218 require that all customers pay rates equal to how they use the water system. City proposes to eliminate the base allotment of water included in the minimum fee and instead bill all customers a volume rate for each unit of water consumed. This is more equitable for lower water users.

5) What if the rate increases are not approved?

If rate increases are not approved, the City will not be able to afford to provide the same level of reliable water service or make improvements to the water system. The Water Fund will continue to draw upon other City funds that could otherwise be used for other City services like public safety, police, and fire protection.

6) How can I learn more about the proposed rate adjustment?

- a. Review the Water Rate Study Report are on the City's website at <https://www.liveoakcity.org/> or you can call (530) 695-2112.
- b. Attend the Community Outreach Meeting on April 23, 2025 at 6:00 p.m. at the Live Oak Community Building at 10200 O St, Live Oak, CA 95953
- c. Attend a public hearing on May 28, 2025 at 6:00 p.m. at the City Council Chambers at 9955 Live Oak Blvd, Live Oak, CA 95953

WATER RATE PROTEST FORM

I, _____ hereby protest the
[print full name of the property owner or ratepayer]

water rates proposed by the City of Live Oak on behalf of the following property or properties (please list all parcels that you own and are protesting on behalf of; attach additional pages if needed):

[Service address or Assessor's Parcel Number (APN) of property]

[Service address or Assessor's Parcel Number (APN) of property]

[Service address or Assessor's Parcel Number (APN) of property]

I declare under penalty of perjury under the laws of the State of California by my signature below, that the information I provided on and in connection with this form is true and correct. I also understand that any false statements or deliberate omissions on this form may subject me to legal actions for fraudulent misrepresentation.

Signed, _____ [Sign here] _____ [Date]

Please return this form by:

1. Mail to: Prop 218 Protest, 9955 Live Oak Blvd, Live Oak, CA 95953 or
2. In-person delivery during normal business hours to 9955 Live Oak Blvd, Live Oak, CA 95953; or
3. At the Public Hearing, before the end of the Public Hearing.

Regardless of how the written protest is submitted, it must be received by the City prior to the conclusion of the public comment portion of the Public Hearing on May 28, 2025 beginning at 6:00 p.m. at City Council Chambers 9955 Live Oak Blvd, Live Oak, CA 95953.



**City of Live Oak
Report to City Council**

Meeting Date: March 19, 2025

Title: Review and Possible Revisions to Backflow Prevention Device Maintenance Policies/Ordinances

Contact Information: Rick Crabtree, Interim City Manager

Background: Council would like to ask questions about the current policies and discuss whether updates may be needed.

Recommendation: Discussion and possible direction.



**City of Live Oak
Report to City Council**

Meeting Date:

March 19, 2025

Title:

Public Employee Performance Evaluation Pursuant to California Government
Code Section 54957:
City Manager



**City of Live Oak
Report to City Council**

Meeting Date: March 19, 2025

Title: Public Employee Discipline/Dismissal/Release Pursuant to California
Government Code Section 54954.5