



JAMES A. MURPHY  
PRESIDENT

May 19, 1970

Jane Tolmach, Councilman  
Oxnard City Council  
653 West Douglas Street  
Oxnard, California 93030

Dear Mrs. Tolmach:

Subject: Proposed Water Rate Ordinance

We have reviewed the proposed water rate ordinance that was tabled at your meeting of March 24, 1970 and which, we understand, is to be brought before the Council again on May 26, 1970.

We believe that the proposed ordinance is unfair and discriminatory towards industry and towards Facelle Company in particular.

The city has not increased its water rates since 1967 and we doubt that anyone could question the fact that the cost of operating the Water Department, expansion of distribution lines and costs of pumping well water or purchasing water from other districts have all increased. An ordinance to increase rates to recover these costs that excludes 97.9% of the city's present water users from any increase must certainly be discriminatory. Should 2.1% of the city's water users pay the accumulation of increased costs of the entire system over the past three years?

After being encouraged by the city to locate in Oxnard and after constructing our plant, we are truly disturbed that the city would immediately increase our water costs by more than 100%. We believe that there should not be a surcharge on users of M.W.D. water. In the past the city has delivered



DIVISION OF INTERNATIONAL PAPER COMPANY

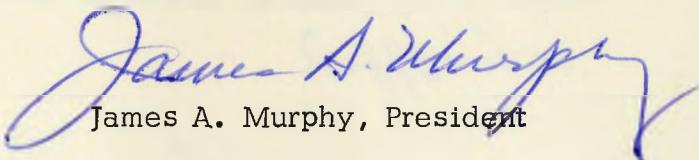
different mixes of water to various areas and for various uses without rate changes. The same policy was extended to Facelle and should be continued. We believe the city should review their attitude toward industry and Facelle in particular so that we may determine our position and the impact on our immediate plans and our plans for the future.

We must advise unequivocally that a rate structure including any provision whatsoever which discriminates against Facelle Company interests by changing the basic formula must be regarded by International Paper Company as a serious breach of faith with understandings reached lawfully with the City of Oxnard prior to our coming to Oxnard.

As stated elsewhere, we are prepared to assist in any way we can to arrive at a fair and equitable solution to the city's water problems. We strongly urge the Council to consider an alternative rate structure which would be equitable to all concerned. We believe that the proposed ordinance should include increases for all water users sufficient to recover costs for the current fiscal year and should include an annual review of rates to cover increased costs due to inflation.

Sincerely yours,

FACELLE COMPANY



James A. Murphy, President

JAM:dp