

August 28, 2026

Christian Clegg, City Manager
City of Bakersfield
1600 Truxtun Avenue
Bakersfield, CA 93301

RE: City Sewer Rates

Mr. Clegg,

Thank you for your response dated August 20, 2026, regarding the City sewer and stormwater rates and for sharing the City's perspective on the issue. Your letter makes clear that the City does not currently intend to consider alternative policy approaches on stormwater fees or the broader use of best-practice financing tools for large municipal projects that could help mitigate significant increases in sewer rates for taxpayers. I would like to clarify that, in addition to the Board of Supervisors representing all Kern County residents—including those residing in the City—the County itself is a taxpayer on 25 commercial properties within the City that are subject to these sewer and stormwater rates.

We respectfully disagree with the City's assertion that ratepayers are unconcerned simply because they did not overwhelmingly protest during the Proposition 218 hearing process. While the City maintains that it did not receive the email, phone, or in-person complaints first raised in 2025, we have received direct feedback from our constituents, as well as from Kern Tax and SEIU—organizations representing thousands of City ratepayers—expressing that these increases will place a significant financial burden on families, businesses, and property owners. The significant number of public speakers at city council meetings (many of whom were prevented from speaking due to the City's new and very limited public comment process), the extensive media coverage of this issue, and the wide range of community stakeholders raising concerns all demonstrate that this is a matter of broad and genuine public interest.

We agree that the City and the County should be partners. We serve the same community, and we remain willing to work together constructively and productively to address the issues identified. The County also has an obligation to protect the interests of its residents and ensure the appropriate use of public resources. Fulfilling those responsibilities should not be characterized as adversarial or as an effort to undermine the City; rather they are integral to our respective roles as public agencies.

Additionally, we are prepared to work in good faith to identify areas where we can collaborate, clarify responsibilities, and improve services for our shared community. At the same time,

partnership cannot require one agency to simply accept the decisions or positions of the other, nor should either agency delay or withhold decisions to gain leverage or disadvantage the other. A true partnership allows for disagreement while maintaining respect and cooperation in other areas. Disagreements should not result in retaliation, including withholding approvals, reversing previously agreed-upon actions, or disengaging from areas where mutual understanding has already been established.

Before we move forward collaboratively, I would like to address statements in your letter that appear to be factually inaccurate or based on a misunderstanding of the issues the County has raised.

The City is well informed of the County's proposal to bond more than \$700 million, including an initial bonding phase to pay for operating expenses in the next two years. It is bad fiscal practice to bond for operating expenses. The City Council already considered the recommendation and chose a more balanced approach that leverages modest bonds to lower rates without creating a massive debt burden to ratepayers over the next 30 years. Excessive bonding and interest costs would not spread capital equitably over time, it would shift the debt burden to future generations.

This statement is not accurate. The County agrees that bonding for operating expenses is neither prudent nor permissible under a revenue bond. The scenarios the County provided to the City do not include bonding for operating expenses. Our presentation of potential scenarios was based on major and minor capital improvement projects totaling \$1,073,858,842 over the next ten years, as outlined in the City's own Exhibit C-10 Year Financial Plan. If operating expenses are incorrectly reflected in those figures, the County would not be aware. The City Council did not provide our attorney an opportunity to discuss these scenarios in detail at the May 27, 2026, city council meeting—despite multiple requests—where the scenarios could have been fully explained. Additionally, Supervisor Parlier and County staff met with you on May 13, 2026, but you did not express interest in discussing the information in detail. Instead, you requested that the County provide a different scenario, which ultimately was not discussed at the city council meeting.

The County's rate study alternatives presentation ("proposal," attached) was intended to demonstrate that there are viable options to maintain affordable rates while appropriately financing necessary capital improvements and ensuring that the associated costs are shared equitably among the ratepayers who use and benefit from the system. It was intended as a starting point for discussion, not as a final financing proposal.

It is also important to distinguish generational equity from generational debt. Using reasonable, long-term financing for capital improvements does not, in itself, impose an inequitable burden on future generations. Requiring current ratepayers to bear the full cost of infrastructure that will serve customers for decades can itself be inequitable. Generational equity means aligning the cost of long-lived capital improvements with the generations of ratepayers who will use and benefit from those improvements.

The County's intent was to begin a substantive discussion with the City regarding the appropriate balance between rates, financing, capital investment, and affordability. Characterizing the County's proposal as "excessive bonding" that would simply shift a debt burden to future generations does not accurately reflect the County's proposal nor the purpose of the financing approach presented.

I urge the County to dedicate your time to addressing mental health, substance use, homelessness and accountability of our criminal justice system.

This statement is a deflection from the matter at hand and reflects a fundamental misunderstanding of the breadth of responsibilities already carried out by the County. These issues are not being ignored. The County is deeply engaged in addressing mental health, substance use, homelessness, and the criminal justice system through multiple departments, programs, partnerships, and funding streams.

Homelessness: Through the CAO's office, Aging and Adult Services, Behavioral Health and Recovery Services, Department of Human Services, Animal Services, and Planning and Natural Resources, the County provides more than \$21.6 million annually in dedicated homeless services to all County residents, many of whom are residents of the City of Bakersfield. This figure does not include costs incurred by Public Works or the criminal justice system. Many of the County's homeless-related services disproportionately support City residents compared to those in other unincorporated areas.

Criminal Justice System: Public safety is the Board of Supervisor's highest priority and represents \$644 million, or 61.4% of the County's General Fund budget. Approximately \$88 million is spent on Sheriff jail services. Bakersfield Police Department (BPD) bookings have accounted for approximately 36-37% of total bookings for the past two years, and the Sheriff's Office dedicates 15 beds specifically to the City's IMPACT team. Additionally, the Sheriff's Air Unit provides uncompensated assistance to BPD five days a week and routinely supports BPD on calls. This coordination was recently highlighted in a media coverage describing how [BPD and KCSO communicate, coordinate and share resources](#).

The County and the City share the same goals—reducing homelessness, addressing behavioral health needs, and improving community safety—but the suggestion that the County has hundreds of empty jail beds readily available to solve the problem is misleading. **Empty beds do not automatically mean available beds.** Operating a jail is complex, and the County's ability to safely increase the jail population depends on facility conditions, staffing requirements, operational capacity, and importantly, the behavioral health needs of the individuals who would be housed there. Making jail beds available requires significant investment at a time when resources are limited, including renovation costs ranging from \$3 to \$5 million and ongoing operational costs of \$12 million annually.

The County has not ignored the City's concerns. In early 2024, the County provided a proposal to the City to move forward with opening additional capacity. While the City considered the proposal, circumstances outside the County's control, including over a year-long review by

Disability Rights California, prevented progress, and these developments were communicated to City staff. More recently on June 24, 2026, the County coordinated a multi-departmental meeting with the City to identify alternative solutions through existing programs and diversion efforts for specific populations of concern.

Rather than collaborating with the County, the City chose to pursue a task force, media campaign, and demands for funding. If the City is serious about a partnership, the next step should be to sit down with the County to work toward a solution, not to focus solely on a funding demand. Partnership means recognizing that public safety is a shared responsibility. The County cannot be expected to resolve a complex community problem simply by opening beds, nor should the City promote a public narrative suggesting that the County is unwilling to act.

The residents of Kern County deserve solutions grounded in facts and accountability, not broad statements implying that the County is doing nothing when thousands of County employees and community partners work on these very issues every day. Suggesting that the County simply needs to “dedicate its time” to these matters overlooks the substantial work, resources, and personnel already committed to them and, more importantly, misunderstands the statutory and practical responsibilities of county government.

Let's address the gap in our social services safety net

We welcome the opportunity to partner in addressing the gap in our social services safety net, as there will always be more needs than available resources. Historically, the City has not been directly engaged in social services programs for which the County has been designated responsibility, despite the County operating with limited funding from the State. A stronger City-County partnership can expand access to critical services and ensure that City residents benefit from the resources and support available in our community. We look forward to working collaboratively to identify opportunities where the City can contribute, strengthen the social services safety net, and further serve the needs of our residents.

Finally, we appreciate the City's willingness to engage in staff-level discussions concerning the operations of CSA-71, as was requested directly by Public Works Director Josh Champlin on June 2, 2026, and again on August 17, 2026. Chairman Peters and Supervisor Couch are interested in meeting with Vice Mayor Kaur and Councilmember Smith as offered. We are in the process of identifying dates and times to provide to you. As always, the County remains open and willing to engage in meaningful conversations for the benefit of the community.

Respectfully,

A handwritten signature in cursive script that reads "Nancy Anderson".

Nancy Anderson
County Administrative Officer



BAKERSFIELD

Rate Study Alternatives



Revised 5-20-26

Summary – Lower Rates are Possible

In Spring of 2026, Kern County engaged a municipal financial advisor, a wastewater rate consultant, and public revenue legal counsel to evaluate the City of Bakersfield's proposed sewer rate increase approach.

Kern County found that Bakersfield **can have a far lower rate increase** while still raising enough revenue to operate the sewer system and fund capital improvements.

City's Proposed 2026-2027 rate: An increase from \$247 to \$475/year/home

Scenario 1: Uses Bonds to finance capital improvement projects over the next 5 years (instead of pay-as-you-go cash funding) - **\$336/year/home**

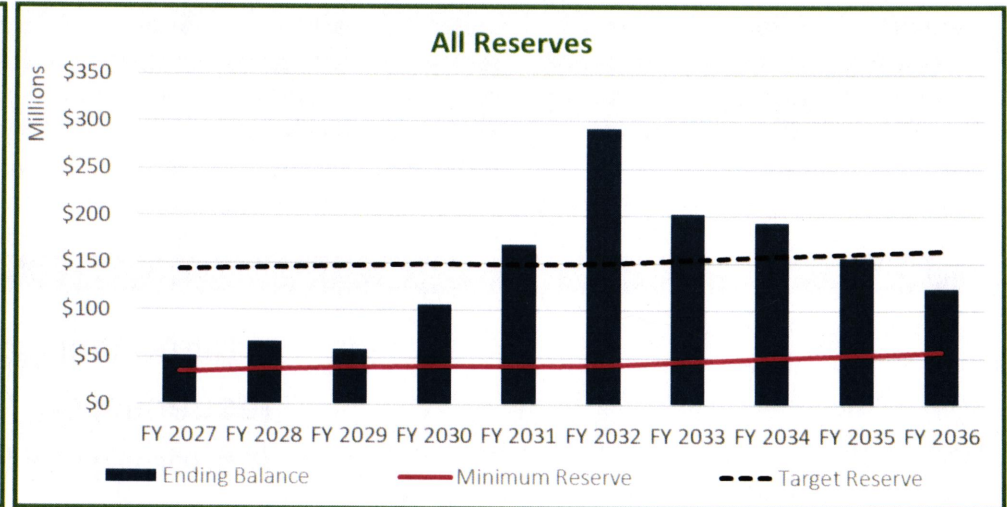
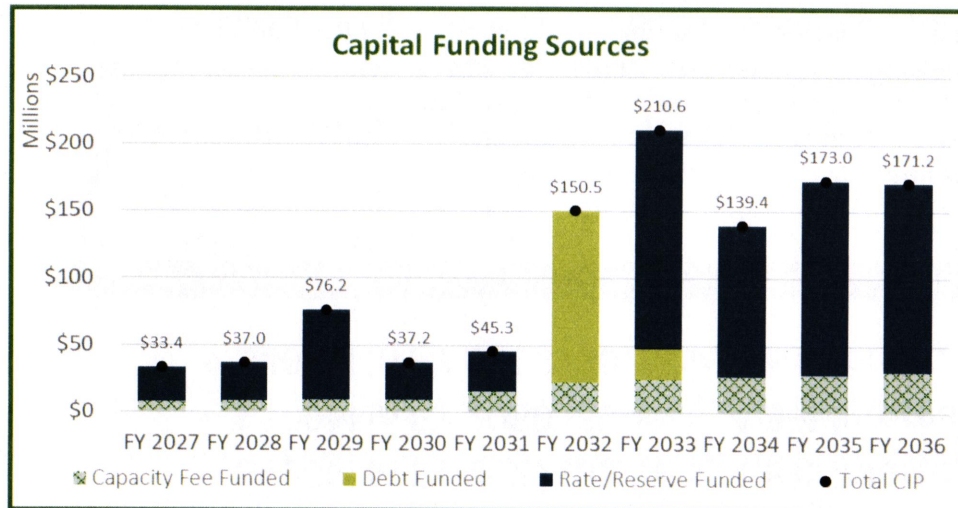
Scenario 2: Eliminates all stormwater service costs and capital projects, focusing revenues only on sewer projects and service - **\$296/year/home**

Scenario 3: Eliminates rate funding of projects that will accommodate expansion; instead all expansion would be paid for by new users' capacity/connection fees ("growth pays for growth") - **\$296/year/home**

Scenario 4: Prepared at the request of City of Bakersfield.

NOTE: The County acknowledges that it does not have access to all the underlying variables/data. These examples are illustrative only.

Baseline: Replicating Rate Study / Report



- Replicated the Financial Plan and Rate Study based on information available within the 2026-30 Sewer Rates and Fees Report

Residential Sewer Charge		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
	Revenue Adj	Existing	COS	21.39%	17.61%	14.96%	13.00%	3.0%	3.0%	3.0%	3.0%	3.0%
Report	\$/SFDU	\$247.13	\$475.00	\$575.00	\$675.00	\$775.00	\$875.00	\$901.25	\$928.29	\$956.14	\$984.82	\$1,014.36
Replicated Results	\$/SFDU	\$247.13	\$475.02	\$576.63	\$678.16	\$779.62	\$880.99	\$907.40	\$934.60	\$962.60	\$991.34	\$1,021.04

Scenario 1: Utilize Bonds/Debts

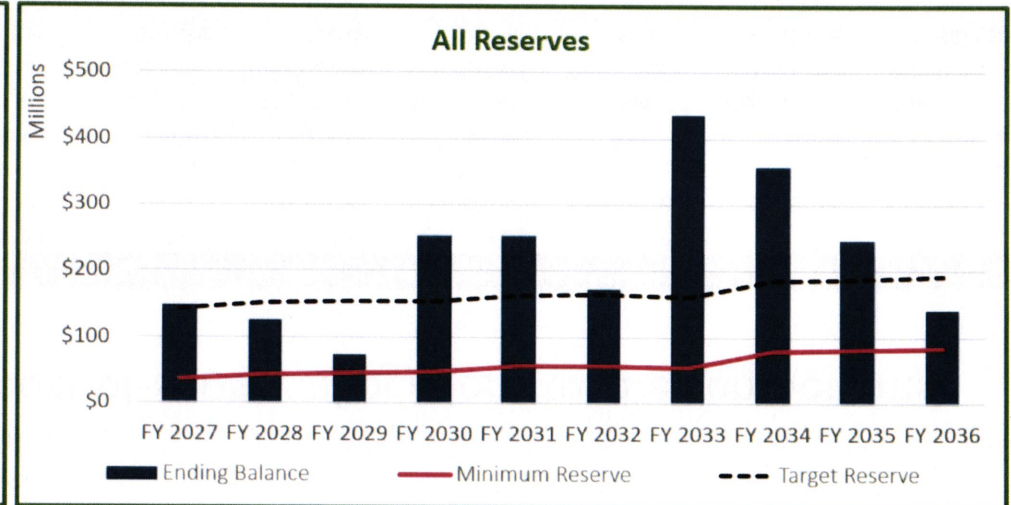
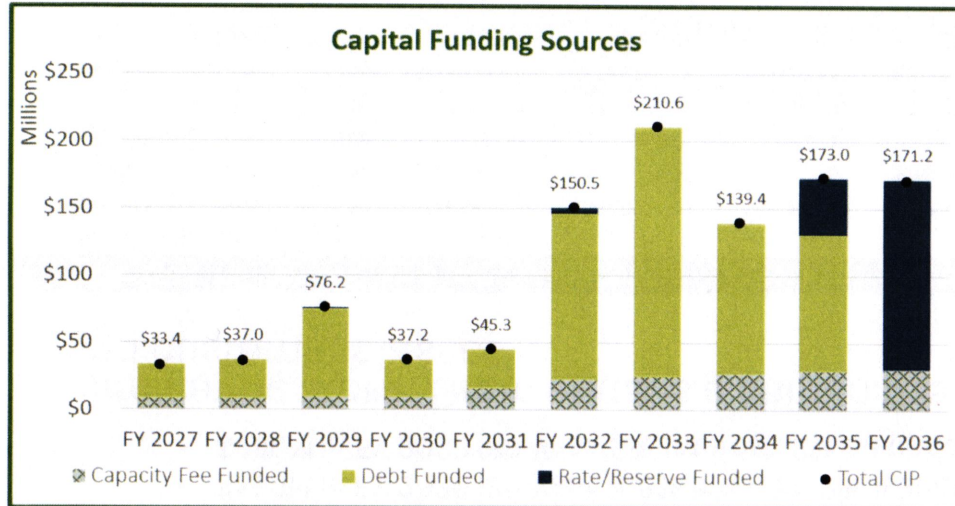
- Same assumptions as the baseline, except utilized bond/debt financing
- Bond/Debt Assumptions:
 - Original study assumed \$150M issuance in FY 2032
 - Revised \$700M over the 10-year planning period:
 - \$120M in FY 2027 (30-Year, 4.8% Interest, 2% Issuance)
 - \$180M in FY 2030 (30-Year, 4.8% Interest, 2% Issuance)
 - \$400M in FY 2033 (30-Year, 5% Interest, 2% Issuance)

Scenario 1	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Revenue Adjustments:	0.0%	22.0%	21.0%	20.0%	18.0%	15.0%	15.0%	3.0%	3.0%	3.0%	3.0%
Projected Rate Revenue:	\$0	\$47,708,847	\$58,460,941	\$70,928,450	\$84,522,791	\$98,420,205	\$114,528,724	\$119,486,736	\$124,683,387	\$130,060,188	\$135,648,498
Debt/Bond Issues:	\$0	\$120,000,000	\$0	\$0	\$180,000,000	\$0	\$0	\$400,000,000	\$0	\$0	\$0
Debt Coverage:	N/A	139.9%	125.3%	183.0%	235.5%	218.7%	286.6%	390.6%	168.5%	176.5%	174.4%
CIP:	\$0	\$33,438,125	\$36,988,488	\$76,195,229	\$37,204,570	\$45,330,687	\$150,463,724	\$210,621,355	\$139,404,729	\$172,986,993	\$171,224,941
Ending Reserve balance:	\$0	\$148,229,810	\$124,835,355	\$74,323,540	\$253,803,814	\$254,125,932	\$173,578,577	\$437,879,363	\$356,858,349	\$247,948,881	\$141,938,021
Projected Res Rates:	\$247.13	\$335.74	\$406.25	\$487.50	\$575.25	\$661.54	\$760.78	\$783.61	\$807.12	\$831.34	\$856.29

Notes: (Applicable to this slide and future slides)

- Modeling did not incorporate FY 2026
- FY 2027 is the cost-of-service year. Rates will be recalibrated based on the cost-of-service analysis. The revenue adjustment (%) will not equal the rate impact. All subsequent rate increases will match the revenue adjustment.

Scenario 1: Utilize Bond/Debts



- **FY 2027, FY 2030, and FY 2033** show a temporary increase in reserve balances driven by debt proceeds, followed by planned reductions as capital projects are funded

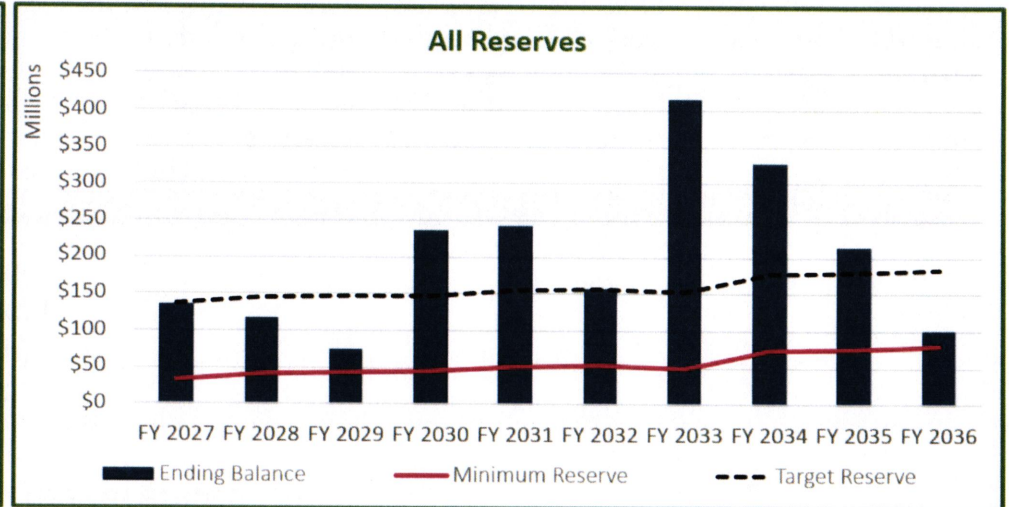
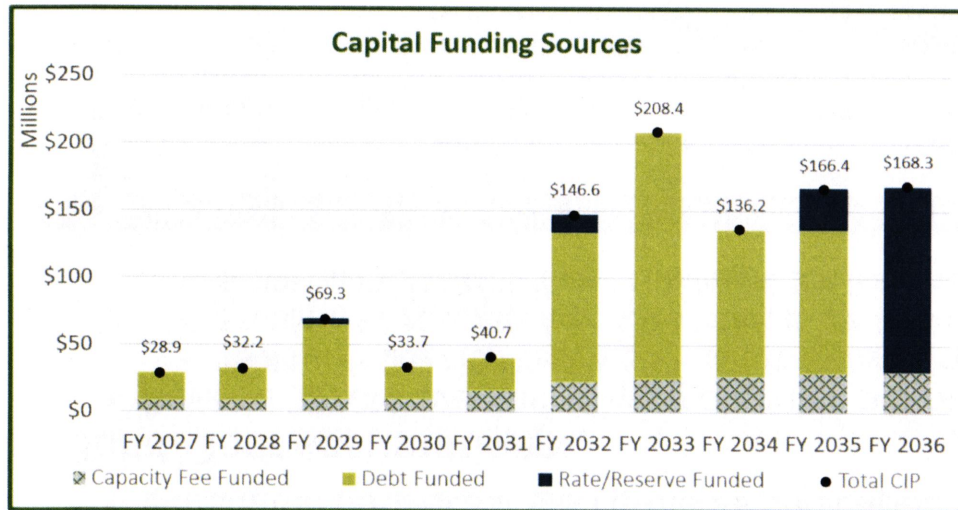
Residential Sewer Charge												
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
		Revenue Adj	Existing	COS	21.00%	20.00%	18.00%	15.00%	15.0%	3.0%	3.0%	3.0%
Report	\$/SFDU		\$247.13	\$475.00	\$575.00	\$675.00	\$775.00	\$875.00	\$901.25	\$928.29	\$956.14	\$984.82
Scenario 1	\$/SFDU		\$247.13	\$335.74	\$406.25	\$487.50	\$575.25	\$661.54	\$760.78	\$783.61	\$807.12	\$831.34
												\$856.29

Scenario 2: Sewer Only

- Eliminated Stormwater CIP and O&M
 - ~\$17.9M in Storm Drain CIP Projects plus a portion of shared projects
 - ~\$30.8M of Storm Drain Personnel and Operations costs
- Bond/Debt Assumptions:
 - Revised \$660M over the 10-year planning period:
 - \$100M in FY 2027 (30-Year, 4.8% Interest, 2% Issuance)
 - \$160M in FY 2030 (30-Year, 4.8% Interest, 2% Issuance)
 - \$400M in FY 2033 (30-Year, 5% Interest, 2% Issuance)
- Eliminating Storm Drain causes a shift in the cost-of-service allocations to rate components and customer classes

Scenario 2	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Revenue Adjustments:	0.0%	20.0%	20.0%	18.0%	16.0%	15.0%	7.0%	3.0%	3.0%	3.0%	3.0%
Projected Rate Revenue:	\$0	\$46,947,027	\$57,057,720	\$68,086,528	\$79,772,422	\$92,877,207	\$100,635,485	\$104,985,345	\$109,544,824	\$114,262,237	\$119,165,221
Debt/Bond Issues:	\$0	\$100,000,000	\$0	\$0	\$160,000,000	\$0	\$0	\$400,000,000	\$0	\$0	\$0
Debt Coverage:	N/A	152.8%	139.0%	193.3%	240.9%	230.2%	271.4%	382.9%	151.0%	158.2%	154.7%
CIP:	\$0	\$28,935,875	\$32,167,975	\$69,265,742	\$33,675,937	\$40,728,402	\$146,591,569	\$208,394,867	\$136,244,387	\$166,445,086	\$168,297,949
Ending Reserve balance:	\$0	\$134,314,432	\$117,976,288	\$75,257,057	\$237,521,614	\$242,284,068	\$157,150,676	\$414,806,608	\$327,539,373	\$215,210,862	\$101,640,717
Projected Res Rates:	\$247.13	\$296.39	\$355.67	\$419.70	\$486.86	\$559.89	\$599.09	\$617.07	\$635.59	\$654.66	\$674.30

Scenario 2: Sewer Only (No Stormwater)



Residential Sewer Charge

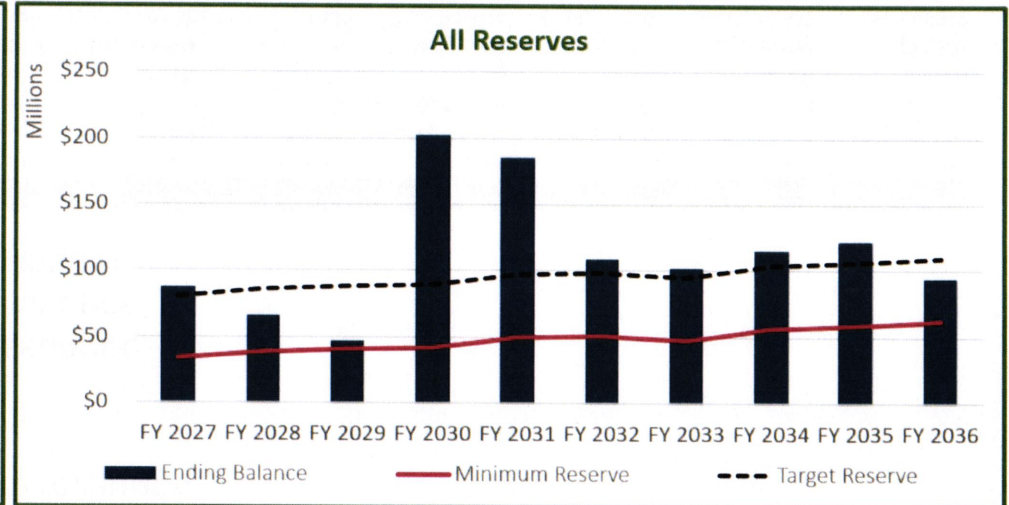
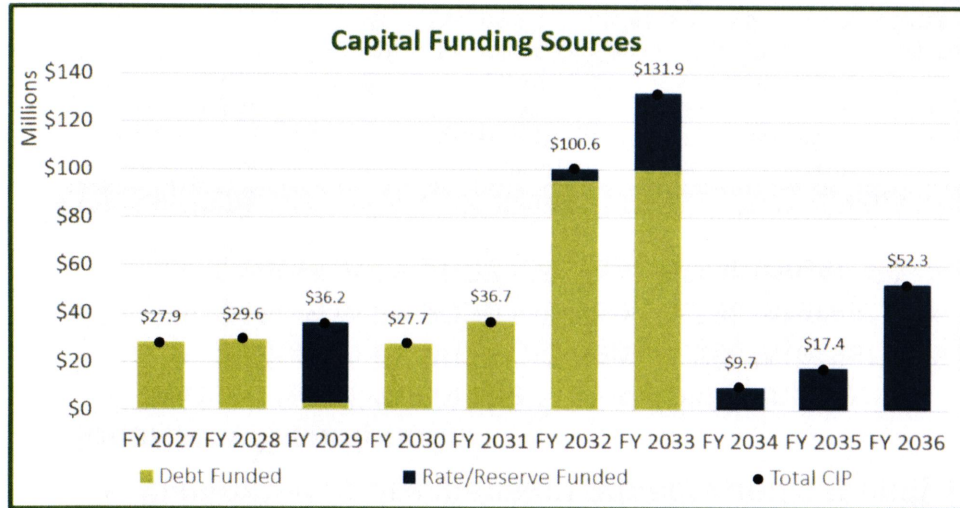
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
		Revenue Adj	Existing	COS	20.00%	18.00%	16.00%	15.00%	7.0%	3.0%	3.0%	3.0%
Report	\$/SFDU		\$247.13	\$475.00	\$575.00	\$675.00	\$775.00	\$875.00	\$901.25	\$928.29	\$956.14	\$984.82
Scenario 2	\$/SFDU		\$247.13	\$296.39	\$355.67	\$419.70	\$486.86	\$559.89	\$599.09	\$617.07	\$635.59	\$654.66
												\$674.30

Scenario 3: No Stormwater or Expansion

- Eliminated both Stormwater and Expansion Projects
- **Growth should pay for growth.** Existing customers should not pay for expansions necessary to serve growth.
- Expansion Projects
 - ~\$560M during the 10-year planning period
 - Capacity (Connection) Revenues from the report totaled ~\$185M
 - Eliminated both expansion projects and capacity fee revenues
- Bond/Debt Assumptions:
 - Revised \$320M over the 10-year planning period:
 - \$60M in FY 2027 (30-Year, 4.8% Interest, 2% Issuance)
 - \$160M in FY 2030 (30-Year, 4.8% Interest, 2% Issuance)
 - \$100M in FY 2033 (30-Year, 5% Interest, 2% Issuance)

Scenario 3	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Revenue Adjustments:	0.0%	20.0%	18.0%	15.0%	14.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Projected Rate Revenue:	\$0	\$46,947,027	\$56,127,408	\$65,301,256	\$75,202,589	\$80,790,575	\$84,299,935	\$87,934,735	\$91,745,032	\$95,687,144	\$99,784,327
Debt/Bond Issues:	\$0	\$60,000,000	\$0	\$0	\$160,000,000	\$0	\$0	\$100,000,000	\$0	\$0	\$0
Debt Coverage:	N/A	152.8%	152.6%	201.1%	246.3%	200.9%	222.7%	326.0%	211.7%	215.1%	214.6%
CIP:	\$0	\$27,935,875	\$29,567,975	\$36,165,742	\$27,675,937	\$36,728,402	\$100,591,569	\$131,894,867	\$9,744,387	\$17,445,086	\$52,297,949
Ending Reserve balance:	\$0	\$87,226,382	\$66,176,507	\$46,447,713	\$202,575,807	\$185,289,066	\$108,473,017	\$102,287,846	\$115,964,491	\$122,666,549	\$94,399,927
Projected Res Rates:	\$247.13	\$296.39	\$349.74	\$402.21	\$458.52	\$486.04	\$500.63	\$515.65	\$531.12	\$547.06	\$563.48

Scenario 3: No Stormwater or Expansion



Residential Sewer Charge

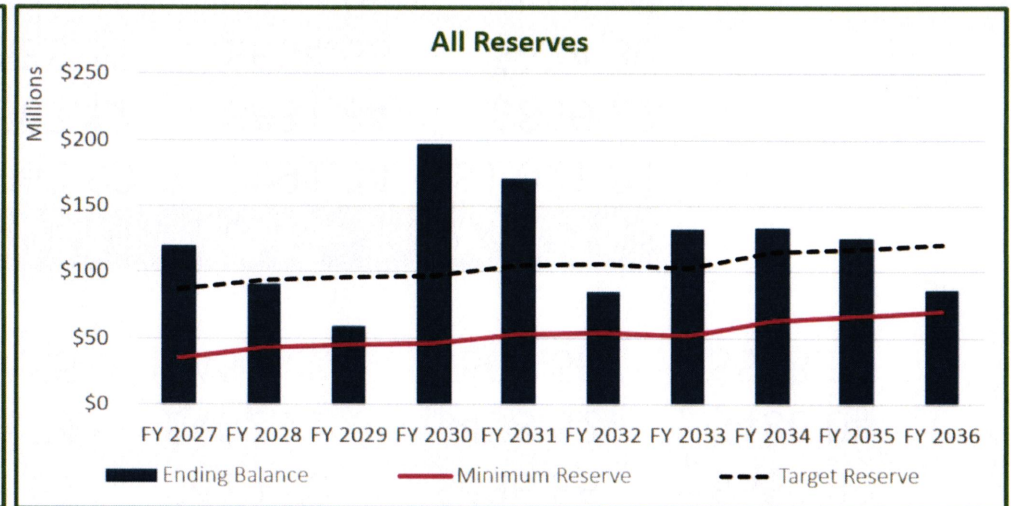
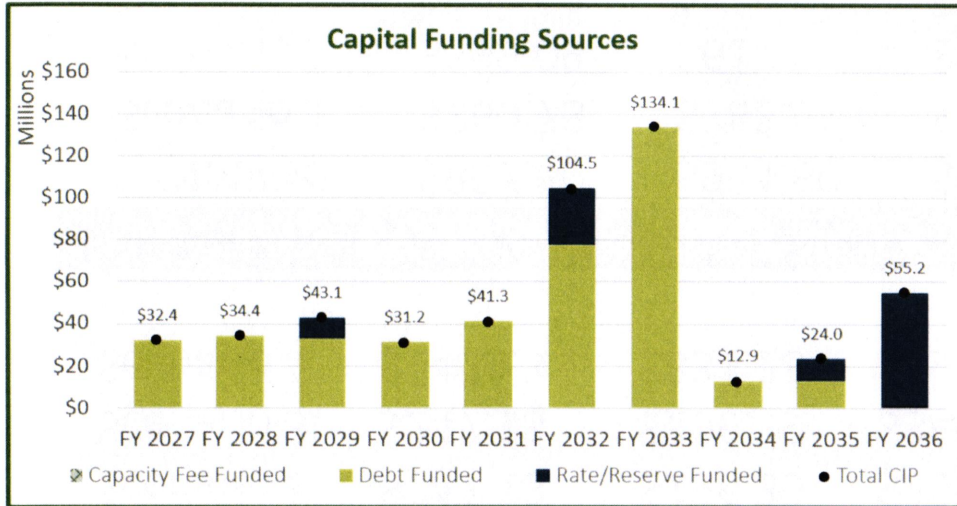
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
		Revenue Adj	Existing	COS	18.00%	15.00%	14.00%	6.00%	3.0%	3.0%	3.0%	3.0%
Report	\$/SFDU		\$247.13	\$475.00	\$575.00	\$675.00	\$775.00	\$875.00	\$901.25	\$928.29	\$956.14	\$984.82
Scenario 3	\$/SFDU		\$247.13	\$296.39	\$349.74	\$402.21	\$458.52	\$486.04	\$500.63	\$515.65	\$531.12	\$547.06
												\$1,014.36
												\$563.48

Scenario 4: No Expansion (Sewer + Stormwater)

- Includes both Sewer and Stormwater
- **Growth should pay for growth.** Existing customers should not pay for expansions necessary to serve growth.
 - * **Please note the County maintains that inclusion of stormwater is unconstitutional; however, this scenario was prepared at the City's request.**
- Expansion Projects
 - ~\$560M during the 10-year planning period
 - Capacity (Connection) Revenues from the report totaled ~\$185M
 - Eliminated both expansion projects and capacity fee revenues
- Bond/Debt Assumptions:
 - Revised \$410M over the 10-year planning period:
 - \$100M in FY 2027 (30-Year, 4.8% Interest, 2% Issuance)
 - \$150M in FY 2030 (30-Year, 4.8% Interest, 2% Issuance)
 - \$160M in FY 2033 (30-Year, 5% Interest, 2% Issuance)

Scenario 4:	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Revenue Adjustments:	0.0%	20.0%	20.0%	14.0%	12.0%	8.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Projected Rate Revenue:	\$0	\$46,947,027	\$57,057,720	\$65,820,544	\$74,494,021	\$81,515,059	\$85,056,380	\$88,724,292	\$92,569,281	\$96,547,294	\$100,681,791
Debt/Bond Issues:	\$0	\$100,000,000	\$0	\$0	\$150,000,000	\$0	\$0	\$160,000,000	\$0	\$0	\$0
Debt Coverage:	N/A	133.7%	125.0%	165.3%	196.0%	176.6%	192.5%	269.1%	155.1%	158.6%	156.4%
CIP:	\$0	\$32,438,125	\$34,388,488	\$43,095,229	\$31,204,570	\$41,330,687	\$104,463,724	\$134,121,355	\$12,904,729	\$23,986,993	\$55,224,941
Ending Reserve balance:	\$0	\$120,379,940	\$90,692,826	\$59,916,795	\$196,820,649	\$170,849,583	\$85,650,301	\$132,392,674	\$134,331,226	\$126,126,527	\$86,084,377
Projected Res Rates:	\$247.13	\$331.28	\$397.55	\$453.21	\$507.60	\$548.21	\$564.66	\$581.60	\$599.05	\$617.03	\$635.55

Scenario 4: No Expansion (Sewer + Stormwater)



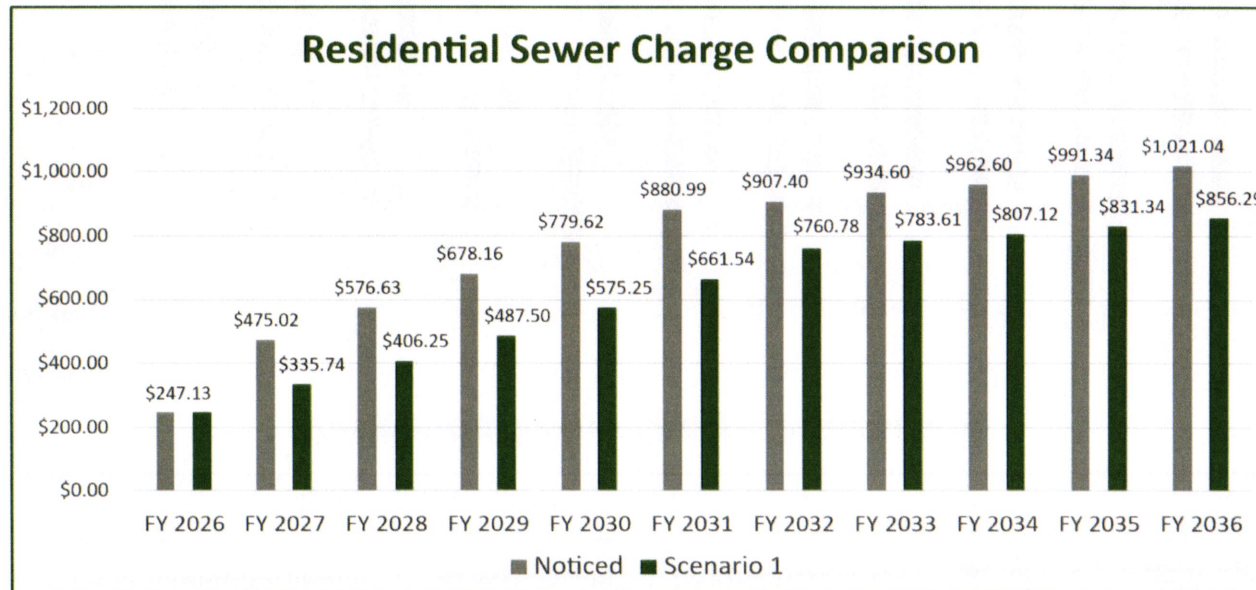
Residential Sewer Charge		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
	Revenue Adj	Existing	COS	20.00%	14.00%	12.00%	8.00%	3.0%	3.0%	3.0%	3.0%	3.0%
Report	\$/SFDU	\$247.13	\$475.00	\$575.00	\$675.00	\$775.00	\$875.00	\$901.25	\$928.29	\$956.14	\$984.82	\$1,014.36
Scenario 4	\$/SFDU	\$247.13	\$331.28	\$397.55	\$453.21	\$507.60	\$548.21	\$564.66	\$581.60	\$599.05	\$617.03	\$635.55

Residential Rate Comparison

	FY 2026	2027	FY 2028	2029	FY 2030	2031
Noticed	\$247.13	\$475.02	\$576.63	\$678.16	\$779.62	\$880.99
Scenario 1	\$247.13	\$335.74	\$406.25	\$487.50	\$575.25	\$661.54
Scenario 2	\$247.13	\$296.39	\$355.67	\$419.70	\$486.86	\$559.89
Scenario 3	\$247.13	\$296.39	\$349.74	\$402.21	\$458.52	\$486.04
Scenario 4	\$247.13	\$331.28	\$397.55	\$453.21	\$507.60	\$548.21

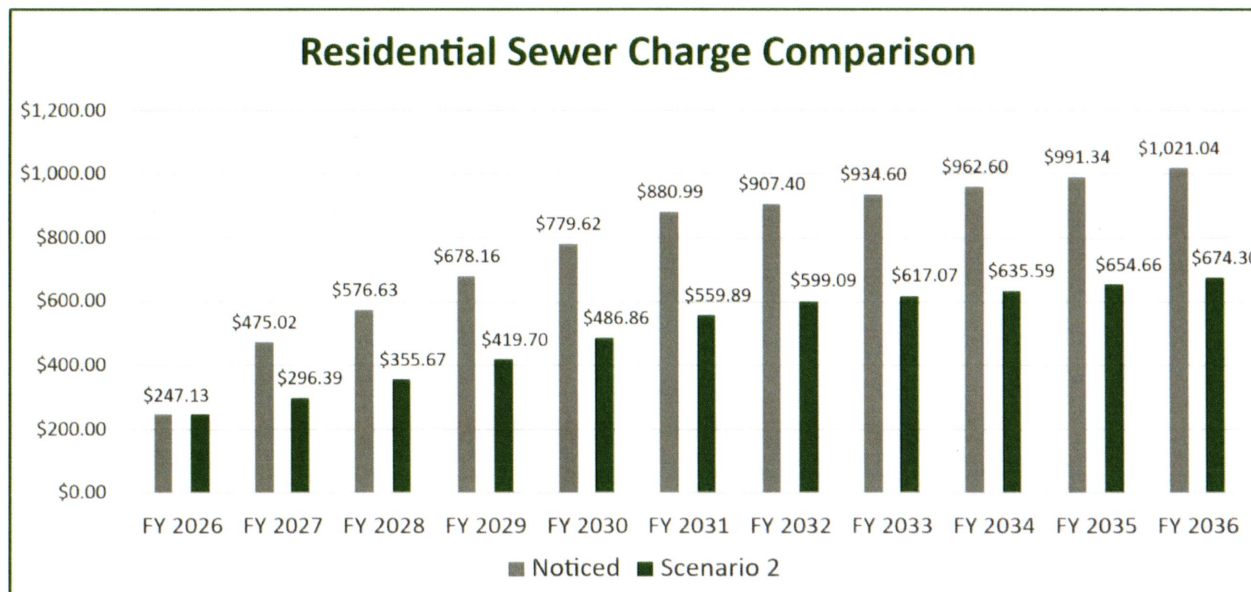
	FY 2032	2033	FY 2034	2035	FY 2036
Noticed	\$907.40	\$934.60	\$962.60	\$991.34	\$1,021.04
Scenario 1	\$760.78	\$783.61	\$807.12	\$831.34	\$856.29
Scenario 2	\$599.09	\$617.07	\$635.59	\$654.66	\$674.30
Scenario 3	\$500.63	\$515.65	\$531.12	\$547.06	\$563.48
Scenario 4	\$564.66	\$581.60	\$599.05	\$617.03	\$635.55

Proposed vs Scenario 1



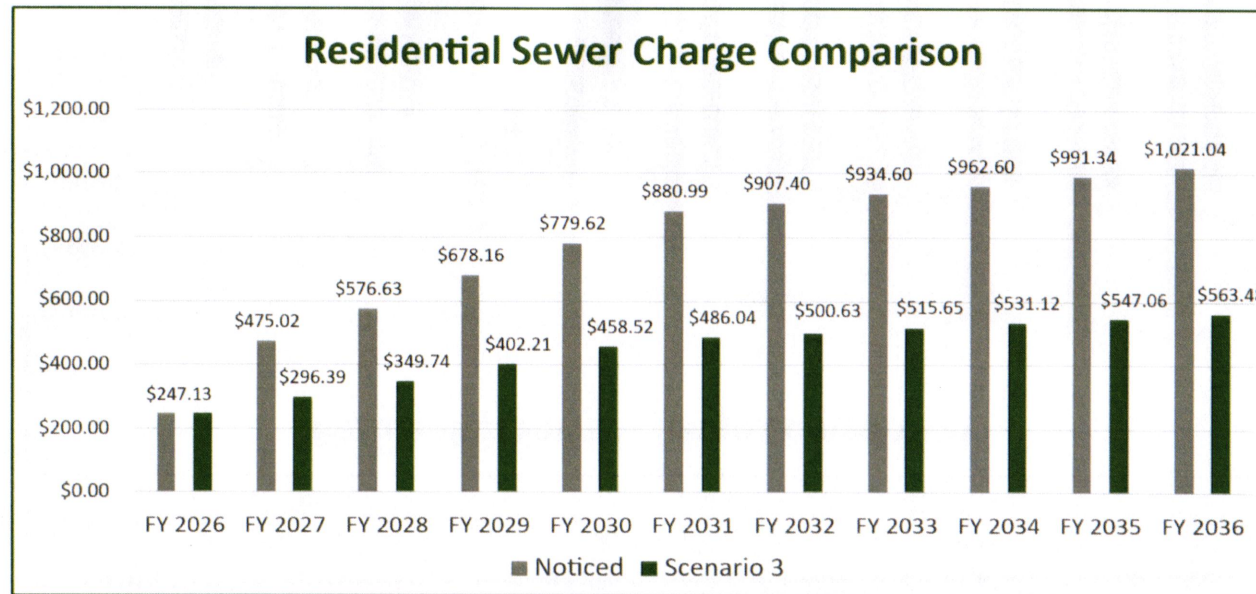
Reflects the potential impacts of leveraging debt/bonds to help spread costs over a longer period (more in line with those receiving the benefits of CIP projects)

Proposed vs Scenario 2



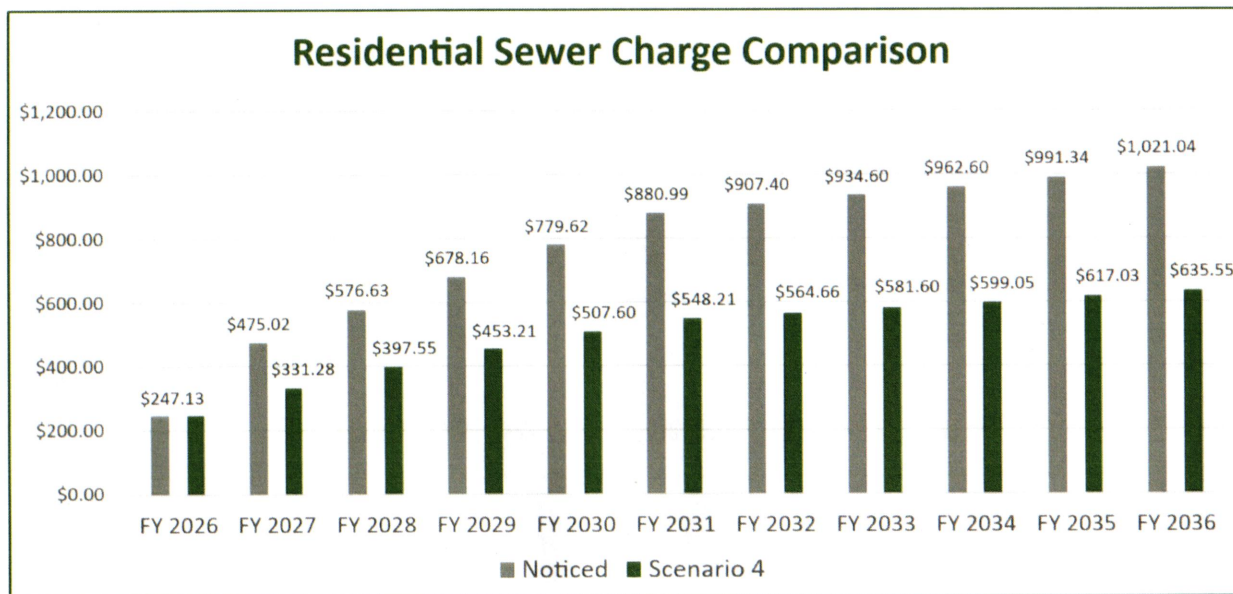
Reflects the impacts of not charging wastewater customers for stormwater costs

Proposed vs Scenario 3



Reflects the impacts of having growth pay for growth and not charging wastewater customers for stormwater costs

Proposed vs Scenario 4



Reflects the impacts of having growth pay for growth. Includes both sewer and stormwater costs.