



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: November 17, 2009

SUBJECT: Ordinance to Establish Rates for Water Service and Amend Chapter 23C to Require Water Meters

Report in Brief

The Council has previously reviewed this item at their November 3rd meeting at which time the Public Hearing was held and it was determined that inadequate protest letters were received to prohibit the proposed changes to the water rates from moving forward. Following the Public Hearing, the City Council approved actions that included direction for staff to present the ordinance required to implement the new water rates for final adoption.

Staff recommends that City Council adopt Ordinance _____ to establish rates for water service and to amend Chapter 23C of the City of Woodland Municipal Code to require water meters.

Background

The City of Woodland contracted for a rate study relating to implementation of consumptive based water rates as required by state law, capital improvements to replace aging infrastructure and implementation of the Surface Water Project. These measures are necessary to provide reliable water for Woodland residents and businesses and meet waste water discharge regulations. California law requires the City to follow the Proposition 218 majority protest process as passed by the voters in 1998 to amend the rates for water usage; this process was judiciously followed. On November 3, the City Council held a Public Hearing and determined that there were 170 protest letters received, considerably less than the 6,422 required to move forward with the action to adopt the new water rates. Following the Public Hearing, the City Council approved a series of actions that included direction for staff to present the ordinance required to implement the new rates for final adoption.

Discussion

Woodland faces numerous water infrastructure challenges that must be addressed in order to maintain the existing level of service to water utility customers. These challenges include maintaining adequate water pressure in order to keep sufficient amounts of water flowing in the

water system. Water pressure is also an important public safety factor that impacts water quality and fire protection. The City does not currently have sufficient pumping capability to meet high water demand conditions such as hot summer days when home and business use will cause pressure to drop to very low levels. As this occurs, water pressure is often inadequate to provide proper fire protection on a citywide basis. In addition, Woodland's groundwater supply levels and quality are declining, forcing staff to review water treatment alternatives and other sources of water. Critical components of the water system are nearing or have reached the end of their ability to operate and must be replaced.

Additionally, the City of Woodland is embarking on a joint effort with the City of Davis and the University of California, Davis to design and construct a surface water delivery system, the Davis-Woodland Water Supply Project. The Surface Water Project, administered by a recently formed Joint Powers Authority (JPA), will present significant funding challenges over the course of the next several years and this rate study will facilitate the short-term revenue required to begin that project.

Finally, state law requires the City and all other water service providers to establish consumptive based water rates. The consumption based rates are included in the proposed changes incorporated within the attached ordinance.

The factors described herein led to the implementation of a process to increase water rates that culminated with a Public hearing on November 3. At the conclusion of the Public Hearing, the City Council approved a series of actions that included direction for staff to present the ordinance for final adoption.

If City Council adopts of the attached ordinance, staff will continue working with citizens and businesses through a focused public outreach and education process in order to increase all ratepayers understanding of the need for the consumptive based and increased water rates.

Fiscal Impact

The water rates that would be enacted through the adoption of the attached ordinance will generate income for the water utility enterprise fund that will support over \$30 million in capital improvements.

Public Contact

Posting of the City Council agenda, notices sent to the property owner of record, public hearing, newspaper articles, utility inserts.

Recommendation for Action

Staff recommends that City Council adopt Ordinance _____ to establish rates for water service and to amend Chapter 23C of the City of Woodland Municipal Code to require water meters.

Prepared by: Sue Vannucci, Director of
Administrative Services

Mark G. Deven
City Manager

Attachment: Ordinance

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND, CALIFORNIA ESTABLISHING RATES FOR WATER SERVICE AND AMENDING CHAPTER 23C OF THE WOODLAND MUNICIPAL CODE TO REQUIRE WATER METERS

WHEREAS, the Woodland City Council has previously established water rates; and

WHEREAS, California law allows the City to recover the full cost of providing water service to customers, including the cost of sources of water, treatment facilities, pipelines, and other infrastructure, through the establishment of water rates; and

WHEREAS, City staff have determined that the existing water rates do not adequately recover the City's costs of providing water service to customers; and

WHEREAS, the City Council intends to establish water rates that do not exceed the cost to the City of providing the service for which the fees and charges are imposed; and

WHEREAS, the City has mailed notice to all affected customers of a public hearing on the adoption of the new rate structure, and the City Council has held this hearing and taken testimony from all interested persons and accepted written protests from all persons wishing to protest the adoption of the new water rates, as required by Article 13D, Section 6 of the California Constitution; and

WHEREAS, as of the close of the public hearing, written protests against the proposed fee or charge were not presented by a majority of owners of the affected parcels; and

WHEREAS, the City Council also wishes to amend Section 23C-10-2 of the Woodland Municipal Code to clarify that water meters are required for all customers in compliance with state law;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WOODLAND DOES ORDAIN AS FOLLOWS:

Section 1. The City Council hereby adopts the recitals and findings set forth above and in the staff report prepared in connection with this ordinance.

Section 2. The City Council hereby adopts, by not less than a two-thirds vote pursuant to Government Code section 5471, the water rate schedule set forth in Exhibit "A", attached hereto and incorporated herein by reference.

Section 3. Section 23C-10-2 of the Woodland Municipal Code is hereby amended to read as follows:

"23C-10-2 Standards and regulations.

(a) All domestic water services shall be metered, unless state law allows a water service connection to be unmetered and the public works director determines that permitting an unmetered connection is in the best interest of the city.

(b) Sizes and types of meters shall be determined by ranges of flow rates, plus allowable pressure losses, and possible safety requirements (such as fire service regulations).

(c) Water meters shall be selected, installed, tested and maintained by the city at the user's expense.”

Section 4. This Ordinance supersedes and voids all prior ordinances, resolutions, and other Council actions, which are inconsistent with its terms, including all prior ordinances and resolutions establishing or amending water rates.

Section 5. Adoption of this Ordinance is exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) of the CEQA Guidelines (14 CCR 15061(b)(3)). CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. It is therefore found and declared that the adoption of the water rate schedule in this Ordinance will not have a significant effect on the environment, as the consumption-based water rates herein adopted will encourage water conservation by

Section 6. Severability. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. This City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 7. Effective Date and Publication. The City Clerk shall certify to the adoption of this Ordinance, and the City Clerk shall cause this Ordinance to be posted or published as prescribed by law. This Ordinance shall take effect thirty (30) days following its adoption.

PASSED AND ADOPTED this _____ day of _____, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marlin H. Davies
Mayor

ATTEST:

Sue Vannucci
City Clerk

APPROVED AS TO FORM:

Andrew J. Morris
City Attorney

EXHIBIT “A”

Water Rate Schedule

The consumption-based charges (per CCF) set forth below will be in addition to the fixed meter charges.					
Customer Class	Current Rates	Fixed Monthly Rates (\$/month/account)			
		<u>January 1, 2010</u>	<u>July 1, 2010</u>	<u>July 1, 2011</u>	<u>July 1, 2012</u>
Residential Lot < 5,000 SF	\$20.05	\$23.85	\$28.60	\$34.30	\$41.15
Residential Lot 5,000 – 10,000 SF	\$24.72	\$29.40	\$35.30	\$42.35	\$50.80
Residential Lot > 10,000 SF	\$29.18	\$34.75	\$41.70	\$50.05	\$60.05
Commercial	\$20.05	\$24.05	\$28.85	\$34.60	\$41.50
Landscape	\$15.60	\$18.60	\$22.30	\$26.75	\$32.10
<i>Residential Consumptive Rates - Fixed and Consumption (\$/ccf*)</i>					
¾” – 2” Meter Fixed	N/A	\$14.00	\$15.75	\$20.00	\$24.00
Per CCF (0-12)	N/A	\$0.97	\$1.19	\$1.25	\$1.50
Per CCF (13-20)	N/A	\$0.97	\$1.37	\$1.50	\$1.95
Per CCF (21 and over)	N/A	\$0.97	\$1.37	\$1.90	\$2.55
<i>Commercial Consumptive Rates - Fixed and Consumption (\$/ccf*)</i>					
¾” – 2” Meter Fixed	\$11.43	\$14.00	\$15.75	\$20.00	\$24.00
3” Meter Fixed	\$22.84	\$26.30	\$29.60	\$37.60	\$45.10
4” Meter Fixed	\$38.08	\$43.80	\$49.30	\$62.60	\$75.10
6” Meter Fixed	\$76.15	\$87.50	\$98.45	\$125.00	\$150.00
Per CCF	\$1.52	\$1.72	\$2.00	\$2.15	\$2.35
<i>Large Uniform User Consumptive Rates - Fixed and Consumption (\$/ccf*)</i>					
¾” – 2” Meter Fixed	\$11.43	\$14.00	\$15.75	\$20.00	\$24.00
3” Meter Fixed	\$22.84	\$26.30	\$29.60	\$37.60	\$45.10
4” Meter Fixed	\$38.08	\$43.80	\$49.30	\$62.60	\$75.10
6” Meter Fixed	\$76.15	\$87.50	\$98.45	\$125.00	\$150.00
Per CCF	\$1.52	\$1.70	\$1.91	\$2.10	\$2.30
<i>Landscape Consumptive Rates - Fixed and Consumption (\$/ccf*)</i>					
¾” – 2” Meter Fixed	\$11.43	\$14.00	\$15.75	\$20.00	\$24.00
3” Meter Fixed	\$22.84	\$26.30	\$29.60	\$37.60	\$45.10
4” Meter Fixed	\$38.08	\$43.80	\$49.30	\$62.60	\$75.10
6” Meter Fixed	\$76.15	\$87.50	\$98.45	\$125.00	\$150.00
Per CCF	\$1.52	\$1.75	\$2.05	\$2.35	\$2.80

One “CCF” = one hundred cubic feet of water, equivalent to 748 gallons