

ORDINANCE NO. 1025 N.S.

AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES  
AMENDING SECTION 14.04.020 OF THE CITY OF EL PASO DE ROBLES MUNICIPAL  
CODE TO ESTABLISH A  
REVISED WATER FEE STRUCTURE

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WHEREAS, on April 6, 2010, the City adopted Ordinance No. 967 N.S. thereby amending the Municipal Code of the City of El Paso de Robles to establish a uniform consumption-based water fee structure; and

WHEREAS, on November 18, 2014 the City authorized the preparation and update of the City's Water and Sewer Rates and Water Facility Charges (Resolution No. 14-159); and

WHEREAS, on November 3, 2015, staff presented to the City Council a water rate proposal, along with the consultant's report "City of Paso Robles Water Rate, Facility Charge, and Revenue Analysis" dated October 2015, prepared by Water Consultancy, Inc./HDR, Inc. ("Rate Study"); and

WHEREAS, the California Supreme Court determined in *Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal. 4<sup>th</sup> 205, that fees for water delivery service are "property-related fees" subject to certain procedures set forth in Proposition 218 (Article XIII D of the California Constitution); and

WHEREAS, also on November 3, 2015, City Council adopted Resolution No. 15-135, proposing increased water rates and authorizing initiation of Proposition 218 procedures, including the mailing of notices regarding a public hearing to consider a proposed ordinance to adopt a combined fixed-rate and consumption-based fee structure; and

WHEREAS, the City identified the parcels upon which the rates will be imposed, determined the proposed rates based on the findings in the Rate Study, and mailed notices on January 25, 2016, to all record owners and tenants of properties responsible for paying for water service, which notices provided information on the proposed rates, the basis for the calculation, the reasons for the proposed rates, and the date, time, and location for a public hearing which was not less than 45 days after the date of mailing; and

WHEREAS, the City Council held the duly noticed public hearing on March 15, 2016, and considered any and all property owner and tenant protests; and

WHEREAS, at the public hearing on March 15, 2016, the City Clerk attested that written protests against the water rates had not been filed by a majority of property owners;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. In accordance with Article XIII D, Section 6(b), of the California Constitution, the City Council makes the following findings:

A. The revenues derived from the water rate increase do not exceed the funds required to provide water service because the rates are calculated to allow the City to recover its costs associated with

- (1) its contractual obligation to pay for a portion of the costs of construction of the Nacimiento Water Project;
- (2) a portion of the costs associated with water treatment; and
- (3) other necessary and essential ongoing costs of operation and maintenance of the City's water delivery system.

These findings are based upon the information contained in the notice, the October 2015 Water Consultancy, Inc./ HDR, Inc. study, the staff report to the City Council at the public hearing, and the testimony presented at the public hearing.

B. The revenues derived from the water charges will not be used for any purpose other than that for which the charge is imposed. This finding is based on the fact that all revenues collected from water customers are deposited into a designated fund for such water operations purpose.

C. The charges do not exceed the proportional cost of the water service attributable to each parcel. This finding is based on the fact that the proposed rates are based upon the City's actual total cost of providing water service to its customers, by including a fixed fee component, and then dividing the remainder of the total costs by the actual amount of water used on such parcel.

D. The proposed increases in the rates are intended to balance the anticipated increases in the costs of delivering water and the possible reductions in the amount of water used.

SECTION 2. Effective January 1, 2017, paragraph C. of Section 14.04.020 of the Paso Robles Municipal Code is hereby revised in its entirety to read as follows:

**"14.04.020 Fees**

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"C. Fees – Water Usage Rates. The monthly rates to be charged and collected for all water consumption, including private fire lines, bulk water delivery or fire hydrant usage, from every water customer, including, but not limited to, any person, school, business entity or corporation, shall be charged at rates established by ordinance of the City Council.

The water usage rates shall be reviewed no less than annually in conjunction with the update of the city's budget to ensure that water user fees then in existence do not exceed the costs of providing water service within the City."

Beginning on January 1, 2017 the monthly water usage fee shall be as follows:

All Customers	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021
All Water Usage (\$/HCF)	\$4.83	\$5.26	\$5.73	\$6.14	\$6.56
Fixed Charge (\$/Account/Month)	\$5	\$6.25	\$7.50	\$8.75	\$10

Note: Rate increases to be effective January 1<sup>st</sup> of each year.  
HCF = hundred cubic feet, or 748 gallons."

SECTION 3. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

SECTION 4. Effective Date. This Ordinance shall take effect thirty (30) days after adoption as provided by Government Code section 36937.

SECTION 5. Publication. The City Clerk will certify to the passage of this Ordinance by the City Council of the City of El Paso de Robles, California and cause the same to be published once within fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Government Code section 36933.

Introduced at a regular meeting of the City Council held on March 15, 2016, and passed and adopted by the City Council of the City of El Paso de Robles on the 5<sup>th</sup> day of April, 2016, by the following roll call vote, to wit:

AYES: Hamon, Gregory, Reed, Strong, Martin  
NOES:  
ABSENT:  
ABSTAIN:

  
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Steven W. Martin, Mayor

ATTEST:  
  
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Kristen L. Buxkemper, Deputy City Clerk