

**ORDINANCE 2007- 13**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON REPEALING SPECIFIC SECTIONS AND ENACTING NEW SECTIONS OF THE CITY OF AMERICAN CANYON MUNICIPAL CODE RELATING TO WATER RATES AND CHARGES**

**WHEREAS**, it is policy of the City of American (City) that all enterprise funds of the City generate revenues that meet all budgeted operating expenses; and

**WHEREAS**, California state law requires that water rates and charges be proportional to the cost of providing service; and

**WHEREAS**, the City established a Blue Ribbon Committee on Water Resources composed of residents, businesses and government representatives which has recommended that water rates be enacted sufficient to meet the cost of providing water service; and

**WHEREAS**, the City has received a rate study, prepared by Bartle Wells Associates consistent with American Water Works Association Guidelines, which details water rate recommendations that allow the City water system to meet its cost of service in a fair and equitable manner; and

**WHEREAS**, the City Council held a noticed public hearing on December 4<sup>th</sup>, 2007, consistent with the California Constitution Article XIIID, also known as "Proposition 218", and the Ralph M. Brown Open Meeting Act where it heard all testimony and protests related to the water rates outlined in the public notice;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON DOES HEREBY ORDAIN AS FOLLOWS:**

SECTION 1: The Title to Chapter 13.06 of the Municipal Code is amended to read as follows:

**WATER RATES AND CONNECTION FEES**

SECTION 2: Existing sections 13.06.010 through 13.06.100 of the Municipal Code inclusive, are repealed.

SECTION 3: Sections 13.06.010 through 13.06.070 of the Municipal Code, inclusive, are enacted to read as follows:

13.06.010 Definitions.

For purposes of this Chapter, the following terms shall be defined as set forth below:

"Commercial" means any nonresidential premises classified as a retail store, restaurant, office building, laundry, master-metered multi-family or mobile home park, and other service establishment (including churches, lodges, government services, or public services) connected to the City water system, and which cannot be classified as a large industrial, raw water, landscape service, recycled water, or single-family residential, pursuant to this Section.

"Cost of service" means the sum of all expenses relating to the ongoing operation of the water enterprise, to include but not be limited to salaries and benefits of all City staff required to run the water enterprise, operating expenses such as utilities and the purchase of water, related wastewater operations debt service related to improvements to the water system, and the maintenance and timely replacement of all existing capital infrastructure.

"Customer" means any residence, business or other entity that has signed up and contracted with the City for a specific water service. The type of Customer is determined by the rate charged; thus, a commercial use could be a single-family residential Customer, if the business qualified pursuant to Section 13.06.020(C) of this chapter.

"Customer charge" means a flat fee per each water billing period, billed on a monthly basis.

"Inside-the-City" means any water connection within the City corporate boundaries as they presently exist or as they may be modified from time to time.

"Landscape service" means a metered account used exclusively for landscaping purposes. Such accounts are exempt from wastewater service charges, but must agree to use recycled water, if and when it becomes available; must agree to participate in the City's water conservation program; and would be subject to use restrictions and/or fee surcharges during periods of drought.

"Large Industrial" means any premises whose annual water use is in excess of four thousand two hundred units (Ccf) per year, is located within City boundaries, is separately connected to the water system, and whose predominant water use is for industrial purposes. Such Customers must agree to supplemental conditions of service, including compliance with the City water conservation program, use of landscape service accounts as appropriate, and use of recycled water as appropriate, if and when it becomes available.

"Meter charge" means a flat fee, based on the size of water meter in service, billed on a monthly basis.

"Multi-family" means any premise that is residential in nature and consists of more than one dwelling unit served by a single metered water connection including any mobilehome park. Such master-metered Customers shall be charged the same as commercial Customers. Temporary residential premises (e.g., hotels) are treated as a commercial use.

"Outside-the-City" means any water connection outside the incorporated City limits.

"Private fire protection service" means water service for a sprinkler system obtained through a separate service line connected in accordance with City standards to the water system.

"Quantity charge" means a charge per unit of water consumed by a Customer. For example, this charge may be fixed for all units of water consumed for commercial Customers, or, for single-family residential Customers, may be "tiered" so that the charge increases in increments as more water is used in order to encourage conservation.

"Raw water" means any premises or property, which, by action of the City Council, makes a special arrangement to use water provided by the City that is not treated at the City's water treatment plant. A raw water Customer must agree to use recycled water, when available, and would be subject to use restrictions and/or surcharges during periods of drought or restricted supply.

"Recycled water" means wastewater effluent treated to tertiary levels consistent with California Code of Regulations Title 22 standards, and may include, but not be limited to, irrigation, landscaping, groundwater, industrial and groundwater recharge uses.

"Single-family residential" means a free-standing home that is served by a dedicated water service line and meter and has only one legal dwelling unit.

"Temporary meter" means a metered water connection to the City's system for a duration of no longer than six months, or, under special circumstances approved by the City Manager no longer than twelve months. Said connection must conform to City standards for temporary connections.

"Unit" means one hundred cubic feet of water as measured by water meters approved by the City, or approximately seven hundred forty eight gallons (Ord. 2000-02 § 2 (part), 2000)

13.06.020 Declaration of intent in establishing water rates.

- A. It shall be City policy to collect water rates and charges that meet but do not exceed the cost of service of the water enterprise.
- B. It shall be City policy to set water rates and charges that are fair and equitable to all Customer classes and recover each Customer share of the total cost of service in proportion to their use of the City system.
- C. It shall be City policy to have a water rate study performed, by a qualified independent rate consultant, at least once every five years, to ensure that water rates and charges are set to an appropriate level. Rate studies will be based on American Water Works Association (AWWA) rate setting principles and shall recommend rates which meet the cost of service of the City water enterprise.
- D. The City may exercise its discretion consistent with *Hansen v. City of San Buenaventura*, 42 Cal.3d 1172 (1986) to enact a rate for property owners outside the City which is 40% greater than the rate for water Customers within the City.

13.06.030 Water meter charges and provisions.

- A. Each Customer shall pay a fixed monthly fee based on the size of water meter in service to allow the City to recover a portion of its fixed costs that it incurs regardless of water use. Water meter charges shall be paid monthly and calculated according to AWWA-approved demand ratios, and shall be equally applied based on meter size to all Customer classes.
- B. As of the effective date of this Ordinance, or January 1, 2008, whichever comes later, the water meter charges for Customers shall be levied according to the following schedule.

Inside City Customers

Meter size	1-Jan-08	1-Jan-09	1-Jan-10	1-Jan-11
5/8" and 3/4"	\$4.00	\$4.40	\$4.84	\$5.32
1" Residential	4.00	4.40	4.84	5.32
1"	6.67	7.34	8.07	8.88
1.5"	13.33	14.67	16.13	17.75
2"	21.33	23.47	25.81	28.39
3"	42.67	46.93	51.63	56.79
4"	66.67	73.33	80.67	88.73
6"	133.33	146.67	161.33	177.47
8"	213.33	234.67	258.13	283.95

Outside City Customers

Meter size	1-Jan-08	1-Jan-09	1-Jan-10	1-Jan-11
5/8" and 3/4"	\$5.60	\$6.16	\$6.78	\$7.45
1" Residential	\$5.60	\$6.16	\$6.78	\$7.45
1"	\$9.34	\$10.27	\$11.30	\$12.43
1.5"	\$18.67	\$20.53	\$22.59	\$24.85
2"	\$29.87	\$32.85	\$36.14	\$39.75
3"	\$59.73	\$65.71	\$72.28	\$79.51
4"	\$93.33	\$102.67	\$112.93	\$124.23
6"	\$186.67	\$205.33	\$225.87	\$248.45
8"	\$298.67	\$328.53	\$361.39	\$397.53

- C. As of the effective date of this Ordinance, or January 1, 2008, whichever comes later, temporary water meter charges for Customers shall be levied according to the following schedule:

Inside and Outside City Customers

Meter size	1-Jan-08	1-Jan-09	1-Jan-10	1-Jan-11
<b>Temporary Meter</b>	<b>\$59.73</b>	<b>65.71</b>	<b>72.28</b>	<b>79.51</b>

- D. Starting on January 1, 2012, and on every January 1 thereafter, all water meter charges will be adjusted by the percent change in the Bay Area Consumer Price Index over the previous calendar year, or by 3%, whichever is less.

13.06.040 Water quantity charges and provisions.

- A. Each Customer shall pay a quantity charge for each unit of water used in a given month. In order to encourage conservation among City users, single family residential Customers will pay a "tiered" rate that increases in increments as water consumption increases. All commercial Customers

(to include master metered multi-family, industrial, landscaping, public, and schools) shall pay a fixed quantity rate for all water consumed.

B. As of the effective date of this Ordinance, or January 1, 2008, whichever comes later, Customers will pay quantity rates according to the schedule included below.

Single family residential – inside City

		1-Jan-08	1-Jan-09	1-Jan-10	1-Jan-11
Tier 1	0-8 hcf	\$2.25	\$2.41	\$2.58	\$2.76
Tier 2	9-20 hcf	2.88	3.08	3.30	3.53
Tier 3	21+ hcf	3.45	3.55	3.66	3.77

Single family residential – outside City

		1-Jan-08	1-Jan-09	1-Jan-10	1-Jan-11
Tier 1	0-8 hcf	\$3.15	\$3.37	\$3.61	\$3.86
Tier 2	9-20 hcf	4.03	4.31	4.62	4.94
Tier 3	21+ hcf	4.83	4.97	5.12	5.28

Commercial, industrial, multi-family, landscaping, public – inside City

	1-Jan-08	1-Jan-09	1-Jan-10	1-Jan-11
All water consumed	2.63	2.81	3.01	3.22

Commercial, industrial, multi-family, landscaping, public – outside City

	1-Jan-08	1-Jan-09	1-Jan-10	1-Jan-11
All water consumed	3.68	3.94	4.22	4.51

Temporary meters – Inside and Outside City Customers

	1-Jan-08	1-Jan-09	1-Jan-10	1-Jan-11
All water consumed	3.68	3.94	4.22	4.51

Raw water – Inside and Outside City Customers

	1-Jan-08	1-Jan-09	1-Jan-10	1-Jan-11
All water consumed	1.26	1.35	1.44	1.54

- C. Effective January 1, 2012, and on every January 1 thereafter, water quantity charges will be adjusted by the percent change in the Bay Area Consumer Price Index over the previous calendar year, or by 3%, whichever is less.

13.06.050 Water rates – adoption by resolution.

- A. The City Council declares its intent that any future changes in the water rates established in this chapter shall be by resolution, and the adoption of such a resolution shall have the same force and effect as though the changes had been made by the adoption of an ordinance.

13.06.060 Private fire protection.

- A. Each Customer who obtains or utilizes a private fire protection service inside-the-City shall pay a charge for water measured as having passed through a bypass meter on the service protective backflow apparatus. The charge for such service shall be one-half the Customer charge for inside-the-City commercial users.
- B. Each Customer who obtains or utilizes a private fire protection service outside-the-City shall pay a charge for water measured as having passed through a bypass meter on the service protective backflow apparatus. The charge for such service shall be one-half the Customer charge for outside-the-City users.
- C. Existing commercial Customers requesting to retrofit an existing building with a private fire protection service shall pay the appropriate meter installation fee and related charges, including any required devices. No additional connection fee shall be charged.

13.06.070 Water rates – other provisions.

- A. Commercial users who desire the single-family residential rate may apply for said rate. If approved by the City Manager, said single-family rate shall remain in force for a minimum of twelve months. It is the Customer's responsibility to request a further modification.
- B. The City Council may, establish policies and procedures by resolution to administer this Chapter, including, but not limited to, allowing credits to Customers for large, one time water losses and related wastewater charges.
- C. Raw water users, prior to connection, shall apply to the City for permission to connect and receive raw water.

- D Existing commercial Customers requesting a landscape meter shall pay the appropriate meter installation fee and related charges. An additional connection fee shall not be required unless either the overall water consumption increases, or the landscape meter size is larger than the currently installed meter. In either event, the Customer shall pay the incremental increase in the connection fee amount. Any landscape-related arrangements between the City and any specific Customer established by City Council action prior to February 3, 2000 shall remain in full force and effect, unless and until it is modified by a subsequent City Council action.
- E. Any water user that establishes a well for domestic water purposes after January 1, 2008 shall apply to the City for permission to receive and use well water upon dedication of the well and well water to the City water system.

SECTION 4: The provisions of this Ordinance shall be severable. If any portion is found to be unconstitutional, illegal, or invalid, the remainder shall survive and remain effective and enforceable.

SECTION 5: Effective date. This Ordinance shall take effect thirty (30) days after its adoption.

SECTION 6: The City Council finds that this Ordinance is exempt from review under the California Environmental Quality Act (CEQA) because:

- A. The Ordinance changes no land use regulations and grants no entitlements to development of either real property within the City or on real property within the City Water Service Area in which the described services are rendered and, therefore, has no potential for causing a significant effect on the physical environment and is exempt from review under CEQA because CEQA does not apply to the establishment of charges by public agencies which are necessary for the purpose of meeting operating expenses, CEQA Guidelines section 15273(a)(1); and,
- B. The Ordinance is exempt from review under CEQA as the Final Environmental Impact Report (FEIR) for the City General Plan, certified November 3, 1994, a Program EIR, which is incorporated in this matter by this reference, analyzed the "Policy Buildout" of the City as set forth in the General Plan Land Use Element concluding that the General Plan buildout impact on water supply could be adequately mitigated by implementing programs of the General Plan that assure that the planning, financing and construction of adequate water supply, treatment, storage and distribution facilitates precede the growth projected by the General Plan.

SECTION 7: The foregoing Ordinance was introduced and read at the regular meeting of the City Council of the City of American Canyon, State of California, held on the 4<sup>th</sup> day of December, 2007, and approved and adopted at a regular meeting on the 18th day of December, 2007, by the following vote;

**AYES:** Garcia, Bennett, Callison, West  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** Coffey

*Leon Garcia*

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Leon Garcia, Mayor

**ATTEST:**

*Cherri Walton*

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Cherri Walton, Deputy City Clerk

**APPROVE AS TO FORM:**

*William D. Ross*

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William D. Ross, City Attorney