

# City of Calistoga

## Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** Dylan Feik, City Manager  
**DATE:** March 6, 2018  
**SUBJECT:** Second Readings of Ordinance No. 734 Water and Ordinance No. 735 Wastewater regarding Service Charges, Fees and Rate Amendments.

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APPROVAL FOR FORWARDING:

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Dylan Feik, City Manager

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1 **ISSUE:** Ordinances Amending Calistoga Municipal Code Chapter 13.18 Pertaining to  
2 Water and Wastewater Service Charges, Fees and Rate amendments.

3 **RECOMMENDATION:** Adopt Ordinance Nos. 734 and 735 as submitted. (Second  
4 Reading)  
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6 **BACKGROUND:** The City Council held a duly noticed public hearing on January 2,  
7 2018 to consider amending the Calistoga Municipal Code Chapter 13.18 pertaining to  
8 Water and Wastewater Service Charges, Fees and Rate amendments and to receive  
9 protests to this increase. The City Clerk tabulated 488 protest letters received by the  
10 close of hearing and determined that there was materially insufficient number of  
11 protests to stop the rate increase. A total of 799 protests would be needed to stop the  
12 rate increase process.  
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14 At the February 20, 2018, City Council meeting, the City Council introduced and waived  
15 the first reading of the ordinances as presented.

16 **ATTACHMENT:**

- 17 1. Ordinance No. 734 Water Rate Amendment
- 18 2. Ordinance No. 735 Wastewater Rate Amendment

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**ORDINANCE NO. 734**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, CALIFORNIA, AMENDING CALISTOGA MUNICIPAL CODE CHAPTER 13.18 PERTAINING TO WATER SERVICE CHARGES, FEES, AND RATES**

THE CITY COUNCIL OF THE CITY OF CALISTOGA ORDAINS AS FOLLOWS

**Section 1. Findings.** The City Council of the City of Calistoga finds as follows:

- A.** California Health and Safety Code section 5471 and Calistoga Municipal Code Chapters 13.04 (Water Services) and 13.18 (Rates, Billing, Payment and Charges) empower the City of Calistoga, by and through its City Council, to prescribe, revise and collect fees, rates, and other charges for the availability, provision and connection of water service.
- B.** Chapters 13.04 (Water Services) and 13.18 (Rates, Billing, Payment and Charges) of the Calistoga Municipal Code provide for the amendment of charges, fees, and rates for water service by the City Council from time to time.
- C.** The City has caused to be prepared a detailed analysis and projections updating the 2013 Water Rate Study regarding the City’s water system cost, improvement and revenue needs in a document entitled the “2017 Water Rate Study” (“Study”).
- D.** The information and analysis in the Study was the subject and result of a noticed public workshop and a public hearing by the City Council.
- E.** The findings and analysis in the Study regarding the recommended adjustments to the City’s water service charges, fees, and rates are incorporated by this reference.
- F.** On January 2, 2018, at a duly noticed public hearing and in accordance with Article XIID, Section 6(a) of the California Constitution and Government Code sections 53750, 53755, and 53756 the City Council gave every interested person an opportunity to object to the proposed adjustments to the charges, fees, and rates as set forth in the Study.
- G.** The City Council considered and overruled all written protests against the proposed charges, fees, and rates, which protests did not constitute a majority of the affected property owners, and approved the Study, including the proposed adjustments to the water service charges, fees, and rates as set forth in the Study.
- H.** The City Council, having duly received and considered oral and documentary evidence concerning the necessity for the proposed changes to the water service charges, fees, and rates, desires to amend Calistoga Municipal Code Chapter 13.18 to establish revised water service charges, fees, and rates.

39 I. The revised water service charges, fees, and rates established by this ordinance  
40 do not exceed the estimated reasonable costs of providing the service or the  
41 construction, reconstruction, or maintenance of the related facilities.

42 J. Pursuant to Title 14 of the California Code of Regulations, Section 15273, this  
43 ordinance is statutorily exempt from the requirements of the California  
44 Environment Quality Act (CEQA) in that it deals with the establishment of rates,  
45 fees, and other charges.

46 **Section 2. Amendment to CMC Section 13.18.020.** Section 13.18.020  
47 Subsections (A) & (B) of Chapter 13.18 of the Calistoga Municipal Code are amended and  
48 restated to read as follows:

49 **Section 13.18.020. Water rates and charges.**

50 The charges, fees, and rates for the connection to and use of water services from the City are  
51 as established in this section.

52 A. Definitions. For the purposes of this section, the following words and phrases have the  
53 following definitions:

54 1. "Monthly service charge" means a fixed charge calculated by meter size. The charge is  
55 applied to each metered account regardless of the volume of water used.

56 2. "Billing cycles" means either monthly, approximately every 30 days, or bi-monthly,  
57 approximately every 60 days, reading of meters for water consumption and billing of  
58 accounts as set by resolution of the City Council for each type of water account.

59 3. "Volume charges" means a charge per service unit of metered water used.

60 4. "Service unit" means 100 cubic feet (hcf), or approximately 748 gallons, of water. Can  
61 also be referenced as "unit," "hcf" or "ccf."

62 5. "Water service connection fee" means a fee charged for each new connection or  
63 expanded use of an existing connection to the water system based on the annual acre foot  
64 water requirements for each type of use as prescribed in Chapter 13.16 CMC (Resource  
65 Management System) and the adopted Standardized Use Table in Chapter 13.16 CMC.

66 B. Monthly Service Charge and Volume Charge. The rate structure for water service consists of  
67 (1) a monthly service charge, as described below, plus (2) a volume charge, as described  
68 below.

69 1. Monthly Service Charge. The monthly service charge consists of a fixed charge by  
70 meter size. For water accounts with a bi-monthly billing cycle, the monthly service charge  
71 is charged for each month or approximate 30-day period.

72 a. The monthly service charges are hereby established for the following meter sizes:

Meter Size	April 5, 2018	January 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022
5/8" or 3/4"	\$33.03	\$37.66	\$41.42	\$45.57	\$50.12
1"	\$82.59	\$94.15	\$103.56	\$113.92	\$125.31
1 1/2"	\$165.17	\$188.29	\$207.12	\$227.84	\$250.62
2"	\$264.27	\$301.27	\$331.40	\$364.54	\$400.99
3"	\$495.51	\$564.88	\$621.37	\$683.51	\$751.86
4"	\$825.85	\$941.47	\$1,035.62	\$1,139.18	\$1,253.10
6"	\$1,651.71	\$1,882.95	\$2,071.24	\$2,278.36	\$2,506.20
8"	\$2,642.73	\$3,012.71	\$3,313.98	\$3,645.38	\$4,009.92

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 74 b. For single-family accounts that require a larger meter for a fire sprinkler system,  
 75 the monthly service charge will be the next smaller meter size.

76 c. For non-single-family accounts with a separate fire service or compound meter for  
 77 a combined use account, the fixed monthly service charge will be 10 percent of the  
 78 standard fixed monthly service charge based on the applicable meter size. The  
 79 application of charges for fire service on a combined use account will be determined  
 80 by the Public Works Director.

81 2. Volume Charge. The following volume charges per service unit of 100 cubic feet (hcf) of  
 82 metered water used are hereby established and applied to each service unit for all water  
 83 accounts.

Customer Class	April 5, 2018	January 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022
All use - \$/hcf	\$7.09	\$8.08	\$8.89	\$9.78	\$10.76

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 85 **Section 3. Amendment to CMC Section 13.18.025.** Section 13.18.025  
 86 Subsections (A) & (B) of Chapter 13 of the Calistoga Municipal Code are amended and restated  
 87 to read as follows:

88 **13.18.025 Application and adjustment of water charges, rates, and connection**  
 89 **fees.** The adjusted rates and connection fee imposed in amended Section  
 90 13.18.020.(A) & (B) as provided in this ordinance will be implemented as follows:

91 A. The water service rates in amended CMC 13.18.020(B) for 2018 will apply to water  
 92 service provided following the meter readings made after the effective date of the  
 93 ordinance codified in this section.

94 **Section 4.** B. The water service rates in amended CMC 13.18.020(B) for 2019  
 95 through 2022 will apply to water service provided after January 1st of each applicable year.  
 96 **Severability.** If any of the provisions of this ordinance or the application thereof to any person

97 or property is held invalid, such invalidity will not affect the other provisions of this ordinance  
98 which can be given effect without the invalid provision or application, and to this end the  
99 provisions of this ordinance are declared to be severable

100           **Section 5.       Judicial Review.** Any judicial review of this ordinance must be by writ of  
101 mandate under Code of Civil Procedure section 1085, and any such action seeking to attack,  
102 review, set aside, void or annul this ordinance must be commenced within 90 days after the  
103 adoption of this ordinance.

104           **Section 6.       Publication.** The City Clerk is directed to publish this ordinance in  
105 accordance with applicable law.

106           **THIS ORDINANCE** was introduced with first reading at the City of Calistoga City Council  
107 meeting on **February 20, 2018** and was passed and adopted at a regular meeting of the  
108 Calistoga City Council on **March 6, 2018**, by the following vote:

109           **AYES:**  
110           **NOES:**  
111           **ABSTAIN:**  
112           **ABSENT:**

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**APPROVED:**

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**CHRIS CANNING, Mayor**

119           **ATTEST:**

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121           \_\_\_\_\_  
122           **KATHY FLAMSON, City Clerk**



38 I. The revised wastewater service charges, fees, and rates established by this  
 39 ordinance do not exceed the estimated reasonable costs of providing the service  
 40 or the construction, reconstruction, or maintenance of the related facilities.

41 J. Pursuant to Title 14 of the California Code of Regulations, Section 15273, this  
 42 ordinance is statutorily exempt from the requirements of the California  
 43 Environment Quality Act (CEQA) in that it deals with the establishment of rates,  
 44 fees, and other charges

45 **Section 2. Amendment to CMC Section 13.18.030.** Section 13.18.030 Subsection  
 46 (B) of Chapter 13 of the Calistoga Municipal Code is amended and restated to read as follows:

47 **13.18.030 Wastewater rates and charges.**

48 The rates and charges for all wastewater services provided by the City are as  
 49 established in this section.

50 B. Wastewater Service Charges.

51 1. Service charges for all wastewater dischargers are established in the following  
 52 amounts:

% Rate Revenue Increase		15.0%	13.0%	10.0%	10.0%	3.0%
User Category		April-18	Jan-19	Jan-20	Jan-21	Jan-22
<b>Residential Rates</b>						
Single Family Residential	Flat Monthly	\$69.49	\$78.53	\$86.38	\$95.02	\$97.87
Multi-Family Residential	Flat Monthly per meter	\$58.37	\$65.96	\$72.56	\$79.81	\$82.21
Mobile Home	Flat Monthly per meter	\$37.53	\$42.40	\$46.65	\$51.31	\$52.85
<b>Transient Rates</b>						
Transient General	Per hcf water use	\$14.19	\$16.03	\$17.63	\$19.40	\$19.98
Spa	Per hcf water use	\$14.19	\$16.03	\$17.63	\$19.40	\$19.98
Campground	Per hcf water use	\$14.19	\$16.03	\$17.63	\$19.40	\$19.98
Bed & Breakfast	Per hcf water use	\$14.19	\$16.03	\$17.63	\$19.40	\$19.98
<b>Other Non-Residential Rates</b>						
Commercial General	Per hcf water use	\$9.38	\$10.60	\$11.66	\$12.82	\$13.21
Restaurant/Bakery	Per hcf water use	\$24.75	\$27.97	\$30.76	\$33.84	\$34.85
Laundry	Per hcf water use	\$9.38	\$10.60	\$11.66	\$12.82	\$13.21
Public Building	Per hcf water use	\$9.38	\$10.60	\$11.66	\$12.82	\$13.21
Medical Care	Per hcf water use	\$9.38	\$10.60	\$11.66	\$12.82	\$13.21
Brewery/Winery	Per hcf water use	\$9.38	\$10.60	\$11.66	\$12.82	\$13.21
School	Per hcf water use	\$9.38	\$10.60	\$11.66	\$12.82	\$13.21
Service Station	Per hcf water use	\$9.38	\$10.60	\$11.66	\$12.82	\$13.21

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**Industrial & Bottling Works**

Measured Flow Rate	Per mg of Measured Flow	\$10,338.55	\$11,682.56	\$12,850.82	\$14,135.90	\$14,559.98
Calculated BOD Rate	Per pound	\$1.88	\$2.12	\$2.33	\$2.56	\$2.64
Calculated SS Rate	Per pound	\$1.42	\$1.60	\$1.76	\$1.94	\$1.99

**Groundwater Discharge Rates**

Spa	Per hcf of Water Use	\$4.77	\$5.39	\$5.93	\$6.53	\$6.72
Residential Spa/Commercial	Per hcf of Groundwater Measured Flow Only	\$9.90	\$11.19	\$12.31	\$13.54	\$13.94

**Other Rates**

Wastewater Capacity Allocation	Flat Monthly	\$47.37	\$53.53	\$58.88	\$64.77	\$66.71
Minimum Rate for All Non-Residential User Categories	Flat Monthly	\$40.78	\$46.08	\$50.69	\$55.76	\$57.43

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55 2. The groundwater discharge rate – spa, as defined in subsection (A)(13) of this section  
 56 and established in subsection (B)(1) of this section, will be charged to spa dischargers, as  
 57 defined in subsection (A)(5)(j) of this section. In addition to the foregoing groundwater  
 58 discharge-related rates, any discharger shall be charged the appropriate rates established  
 59 in subsection (B)(1) of this section for costs associated with the discharge of City-supplied  
 60 water.

61 **Section 3. Amendment to CMC Section 13.18.040.** Section 13.18.040 Subsection  
 62 (A) & (B) of Chapter 13 of the Calistoga Municipal Code are amended and restated to read as  
 63 follows:

64 **13.18.040 Application of Rate and Fee Changes.** The adjusted rates and connection  
 65 fee imposed in amended Section 13.18.030.B and C as provided in this ordinance will be  
 66 implemented as follows:

67 A. The wastewater service rates in amended CMC 13.18.030(B) for 2018 will be  
 68 applicable to all accounts on or after the first billing after the effective date of the  
 69 ordinance codified in this section.

70 B. The wastewater service rates in amended CMC 13.18.030(B) for 2019 through 2022  
 71 will apply to wastewater service provided after January 1st of each applicable year.



