

ORDINANCE NO.

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 connection to and availability and provision 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 regarding the City's water system cost, improvement and revenue needs for fiscal years 2010 through 2015 in a document entitled the "2010 Water Rate Study" ("Study").
- D. The information and analysis in the Study was the subject and result of over 21 public meetings overseen by the City's Water and Wastewater Revenue Committee.
- E. In May 2010, the City Council received a presentation highlighting the draft results of the Committee's work.
- F. On August 3, 2010, a draft of the Study was presented to the City Council.
- G. 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.
- H. On September 21, 2010, 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.
- I. 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 adopted Resolution 2010-094 approving the Study, including the proposed adjustments to the water service charges, fees, and rates as set forth in the Study.

- J. 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.
- K. The revised water service charges, fees, and rates established by this ordinance do not exceed the estimated reasonable costs of providing the service or the construction, reconstruction, or maintenance of the related facilities.
- L. Pursuant to Title 14 of the California Code of Regulations, Section 15273, this ordinance is statutorily exempt from the requirements of the California Environment Quality Act (CEQA) in that it deals with the establishment of rates, fees, and other charges.

Section 2. Amendment to CMC Section 13.18.020. Section 13.18.020 of Chapter 13.18 of the Calistoga Municipal Code is amended and restated to read as follows:

"Section 13.18.020. Water rates and charges.

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

- A. **Definitions.** For the purposes of this section, the following words and phrases have the following definitions:
 - 1. Types of water accounts:
 - (a) "Single family residential account" means those water accounts serving properties that are attached or detached residential dwelling units serviced by an individual water meter for each dwelling unit.
 - (b) "Multifamily residential accounts" means those water accounts serving properties that contain multiple attached or detached residential dwelling units served by separate water meters for more than one dwelling unit.
 - (c) "Mobile home park accounts" means those water accounts serving properties that are classified as a mobile home park in Chapter 17.04.524 of this code.
 - (d) "Commercial-transient occupancy facilities accounts" means those water accounts serving properties that are subject to the provisions of and classified as a bed and breakfast, inn, motel, hotel, spa or other lodging use in Chapter 3.16 of this code.
 - (e) "Commercial-restaurant accounts" means those water accounts serving properties that are engaged in food preparation for commercial purposes with or without on site seating.

- (f) "Commercial-general accounts" means all other commercial and non-residential users not defined in this subsection.
 - (g) "Industrial accounts" means those water accounts serving properties that are subject to the provisions of Chapter 5.04.255 of this code.
2. "Mixed use" means those properties that have multiple types of water account uses served by the same water meter and billing account. Such accounts will be billed at the highest rate of water account type unless a determination on the predominant type of water use is made by the Public Works Director as set forth in subsection D of this section
 3. "Monthly service charge" means a fixed charge calculated by a base demand charge by meter size multiplied by a demand factor by type of water account. The charge is applied to each metered account regardless of the volume of water used.
 4. "Billing cycles" means either monthly, approximately every 30 days, or bi-monthly, approximately every 60 days, reading of meters for water consumption and billing of accounts as set by City Council resolution for each type of water account.
 5. "Marginal tiered volume charges," under subsection (B)(3), means applying the volume charge of each tier to the service units of water consumed incrementally within each of the tier ranges. For example, all service units of water consumed in Tier #1 (from 0 to 32 hcf) will be charged at the marginal tiered volume charge for Tier # 1. For service units of water consumed in Tier # 2 (from 33 to 50 hcf) each service unit will be charged the marginal tiered volume charge for Tier # 2.
 6. "Volume charges" means a charge per service unit of metered water used.
 7. "Service unit" means 100 cubic feet (hcf), or approximately 748 gallons, of water, and is also referenced as "unit", "hcf" or "ccf".
 8. "Water service connection fee" means a fee charge for each new connection or expanded use of an existing connection to the water system based on the annual acre foot water requirements for each type of use as prescribed in Chapter 13.16 (Resource Management System) of this code and the adopted Standardized Use Table in Chapter 13.16.
 9. "Peak service unit demand" means the calculated amount of water consumed, by meter size, that represents the average monthly water use for all users, except single family residential, multiplied by the ratio of the water system's peak day demand to the average day demand of water use. This ratio is calculated at 1.74.

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

1. **Monthly Service Charge.** The monthly service charge consists of a base demand charge by meter size multiplied by a demand factor for each type of water account. For water accounts with a bi-monthly billing cycle, the monthly service charge is charged for each month or approximate 30-day period.

(a) The monthly meter base demand charges are hereby established for the following meter sizes:

Meter Size	2010-11	2012	2013	2014	2015
5/8" or 3/4"	\$18.65	\$19.78	\$20.26	\$20.71	\$21.16
1"	\$46.62	\$49.46	\$50.64	\$51.78	\$52.90
1-1/2"	\$93.24	\$98.92	\$101.28	\$103.56	\$105.80
2"	\$149.19	\$158.28	\$162.04	\$165.69	\$169.28
3"	\$279.73	\$296.77	\$303.83	\$310.68	\$317.40
4"	\$466.22	\$494.62	\$506.39	\$517.80	\$529.00
6"	\$932.44	\$989.24	\$1,012.78	\$1,035.59	\$1,058.00
8"	\$1,491.90	\$1,582.79	\$1,620.45	\$1,656.95	\$1,692.80

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

(c) For non-single family accounts with a separate fire service or compound meter for a combined use account, the monthly service charge will be 10% of the standard monthly service charge based on the applicable meter size. The demand factor for the type of use will not be applied to a fire service meter. The application of charges for fire service on a combined use account will be determined by the Public Works Director.

(d) The meter demand factors are hereby established for the following type of water accounts:

Type of Water Account	Meter Demand Factor
Single Family Residential	1.00
Multifamily Residential	1.42
Mobile Home Parks	2.11

Commercial – General	1.10
Commercial – Restaurants	2.39
Commercial – Transient Occupancy Facilities	1.25
Industrial	3.19
Laundry	1.10

2. **Volume Charge.** The following volume charge per service unit of 100 cubic feet (hcf) of metered water used are hereby established and applied to each service unit for all water accounts, except as modified by the subsections below for certain water accounts or the amount of water use:

Volume charge per service unit (hcf)	2010-11	2012	2013	2014	2015
	\$5.05	\$5.27	\$5.35	\$5.43	\$5.51

3. **Single Family Residential Conservation Volume Charges.** The following marginal tiered volume charges apply to service units of water incrementally within each tier for all single family residential accounts, which charges are based on the bi-monthly water consumption, in service units (hcf), for each tier:

Amount of bi-monthly water service unit use in each tier		2010-11	2012	2013	2014	2015
Tier # 1	1 – 32 hcf	\$5.05	\$5.27	\$5.35	\$5.43	\$5.51
Tier # 2	33 – 50 hcf	\$5.30	\$5.53	\$5.61	\$5.69	\$5.79
Tier # 3	51 – 99 hcf	\$5.56	\$5.81	\$5.89	\$5.97	\$6.07
Tier # 3	100+ hcf	\$6.75	\$7.05	\$7.15	\$7.25	\$7.37

4. **Peak Charge Rate Applied to Volume Charges.** The following peak charge rates apply to all water accounts, except single family residential accounts, for each service unit of water consumption in excess of the peak service unit demand established below by meter size.

- (a) The peak service unit demand by meter size is as follows:

Meter Size	Peak service unit (hcf) of water consumption per month
5/8" or 3/4"	35 hcf
1"	88 hcf
1-1/2"	175 hcf

2"	280 hcf
3"	525 hcf
4"	875 hcf
6"	1750 hcf
8"	2,800 hcf

(b) The peak charge rate per service unit of water consumption in excess of monthly use by size of meter adjusted by the demand factor in subsection (B)(1)(d) above is as follows:

Peak charge rate per service unit (hcf)	2010-11	2012	2013	2014	2015
	\$6.75	\$7.03	\$7.17	\$7.31	\$7.46

C. Properties Outside of City Limits. Water services provided to properties located outside of the City limits will be subject to an additional 15% charge to the applicable volume charge, single family residential conservation volume charge, and peak charge rates for the applicable type of water account.

D. Mixed Use.

1. Properties served by water meters that provide water to different types of water accounts will be billed at the highest rate of water account type unless a determination on the predominant type of water use is made by the Public Works Director.
2. An applicant for a water account with mixed use may request a determination on the type of water account from the Public Works Director by submitting a water study.
3. In making a determination on the predominant type of water account for water billing purposes, the Public Works Director will take into consideration, but is not be limited to, a water use study, wastewater discharge classification, land use classification or other information regarding the use of the property.
4. Policies and regulations to implement the processing of an application for determination on the predominant type of water use may be established by City Council resolution.

E. Reduced Volume Charge Rates for Low and Very Low Income Residents. Single family residential, multifamily residential and mobile home park accounts with residents who qualify for a low or very low income status in accordance with requirements of this section are entitled to a reduction in volume charges as set forth below.

1. Single family residential, multifamily residential and mobile home park accounts with qualified residents are eligible for 20% reductions in water volume charges up to the equivalent of 35 service units of water per single dwelling unit in a bi-monthly billing cycle, and for 20% reductions in water service charges.
2. The income limitation is based on family size and household income as set by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State Department of Housing and Community Development (HCD) for Napa County.
3. For qualifying residents that reside in of multifamily or mobile home park accounts that have a common meter or that reside in residential units that are sub-metered, the applicable reduction in rates must be passed through to the resident.
4. Policies and regulations to implement an application for reduced volume charge rates will be established by City Council resolution.

F. Water Service Connection Fee. A water service connection fee for each new connection or expanded use of an existing connection to the water system will be subject to the provisions of and charged as prescribed in Chapter 13.16 (Resource Management System) of this code.

- (a) The following fee per acre foot of water allocation per year is hereby established and applied to each new connection or expanded use of an existing connection to the water system:

Water service connection fee per acre foot of water use per year:	\$31,643
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- (b) The water service connection fee will be applied by the annual acre-foot water requirements for each type of use in a Standardized Use Table as adopted by City Council resolution under Chapter 13.16.
- (c) The water service connection fee will be adjusted annually on January 1 of each year by the percent change over the latest available prior 12-month period in the McGraw-Hill Engineering New Record 20-City annual construction cost index, or equivalent index as determined by the City Council.

G. Other Fees or Charges for Services. Other fees and charges including without limitation fire service lines, meter setting fees, office and field services, fines and penalties for water services will be set by City Council resolution.

H. Adjustment of Volume Charges to Pass Through Increases in Wholesale Water Costs. The volume charges in subsections (B)(2) and (B)(3) may be adjusted on an annual basis in accordance with Government Code section 53756 to provide for a pass through of any increase in the cost of wholesale water

purchased from another agency.

- I. **Adjustment to Monthly Service Charge.** Beginning on January 1, 2016, the monthly service charge in subsection (B)(1) may be adjusted to provide for the increase, if any, in the San Francisco-Oakland-San Jose Consumer Price Index over the latest available prior 12-month period following notice and a public hearing in accordance with applicable law.

Section 3. Application and adjustment of water charges, rates, and connection fees. The adjusted rates and connection fee imposed in amended Section 13.18.020(B) and (F) as provided in this ordinance will be implemented as follows:

- A. The water service rates in amended Section 13.18.020(B) for 2010-11 will apply to water service provided following the meter readings made after the effective date of this ordinance.
- B. The water service rates in amended Section 13.18.020(B) for 2012 through 2015 will apply to water service provided after January 1st of each applicable year.
- C. The water connection fee established in amended Section 13.18.020(F) will be applied to new development or expanded use connections to the water system when a building permit is issued, development agreement executed or tentative map approved by the City after the effective date of this ordinance.

Section 4. Severability. If any of the provisions of this ordinance or the application thereof to any person or property is held invalid, such invalidity will not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable

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

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

THIS ORDINANCE was introduced with first reading at the City of Calistoga City Council meeting on October ____, 2010 and was passed and adopted at a regular meeting of the Calistoga City Council on October ____, 2010, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

Jack Gingles, Mayor

ATTEST:

Su Sneddon, City Clerk

CERTIFICATION BY CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF NAPA) ss.
CITY OF CALISTOGA)

I, Su Sneddon, City Clerk of the City of Calistoga, California do hereby certify that the foregoing is a true and correct copy of Ordinance No. ____, duly passed, approved, and adopted by the City Council of the City of Calistoga at their regular meeting of October __, 2010, and thereafter duly signed by the Mayor or Vice Mayor, as indicated; and that such ordinance has been published pursuant to law.

Su Sneddon, City Clerk, CITY OF CALISTOGA