

ORDINANCE NO. 940 N.S.

AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES
REPEALING ORDINANCE NO. 882 N.S. AND
ESTABLISHING A CONSUMPTION-BASED WATER FEE STRUCTURE

WHEREAS, the City of Paso Robles has traditionally relied upon the Paso Robles Groundwater Basin and the Salinas River underflow as sources of water for its citizens; and

WHEREAS, the City's groundwater supply, and its uses thereof, create constituent loads that exceed discharge limits, and Nacimiento water presents lower initial constituent loads that when blended with groundwater, reduce the overall loading thus diminishing the frequency of constituent limit breaches; and

WHEREAS, recent studies have indicated that the Paso Robles Groundwater Basin is at risk of being overdrawn in the foreseeable future due to heavy usage and demand; and

WHEREAS, continuously increasing use of groundwater is associated with further diminishment of groundwater quality; and

WHEREAS, the City Council studied a variety of possible alternative water sources that might be available to help ensure that the citizens of Paso Robles would have a good quality, continuous and reliable source of water for the future; and

WHEREAS, the City Council, after much study and public discussion, determined several years ago that the City should participate, along with other cities in San Luis Obispo County and the County of San Luis Obispo, in the Nacimiento Water Project (the "Project"); and

WHEREAS, in July 2004, the City executed the Nacimiento Project Water Delivery Entitlement Contract (the "Contract") in which the City committed to pay for its proportionate share of the cost of the Project; and

WHEREAS, on August 17, 2004, the City Council adopted Ordinance No. 882 N.S. which enacted certain increases in City water fees in order to pay for the City's share of the estimated costs of the Project; and

WHEREAS, the City has included in its Integrated Water Resource Plan the construction of a new water treatment plant (the "New WTP"), the purpose of which is to process water received from the Project and blend it with water taken from City wells in preparation for delivery into the City's water distribution system; and

WHEREAS, at the public hearing at which Ordinance No. 935 was considered, several residents of the City expressed the opinion that the City's water rates should be based on the amount of water actually used; and

WHEREAS, in order to meet its obligations under the Contract and the bond financing documents related thereto, the City Council adopted Ordinance No. 935 N.S., but also directed staff to prepare and present alternative rate structures based upon water consumption; and

WHEREAS, the City's share of the costs for the construction of the Project are now known as the construction contract for the Project has been awarded and the bonds to finance the Project have been issued; and

WHEREAS, on October 2, 2007, after the City was presented a referendum petition on Ordinance No. 935 N.S. with sufficient signatures to subject the measure to a special election, the City determined to repeal Ordinance No. 935 N.S. as permitted by law; and

WHEREAS, the effect of the repeal of Ordinance No. 935 N.S. was to reinstate the rates set forth in Ordinance No. 882 N.S.; and

WHEREAS, also on October 2, 2007, staff presented to the City Council two alternative methods of structuring water rates based on consumption; and

WHEREAS, after considering both alternatives and hearing public testimony, the City Council directed staff to take the necessary steps under Proposition 218, including the mailing of notices regarding a public hearing to consider a proposed ordinance to adopt a consumption-based fee structure; and

WHEREAS, the City has identified the parcels upon which the rates will be imposed, calculated the amount of the rates, mailed notice to all record owners and tenants of properties responsible for water charges, wherein the City provided written notice of proposed rates, the basis for the calculation, the reason for the rates and the date, time, and location for a public hearing not less than 45 days after sending the notice;

WHEREAS, the City further provide published notice of the foregoing;

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

WHEREAS, written protests against the water rates were not presented by a majority of owners of the identified parcels;

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

SECTION 1. Ordinance No. 882 N.S. is hereby repealed in its entirety.

SECTION 2: 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 (i) its contractual obligation to pay for a portion of the costs of construction of the Nacimiento Water Project; (ii) to the extent possible, a portion of the costs of the design and construction of the New WTP; (iii) the ongoing costs of operation and maintenance of the City's water delivery system. This finding is based upon the information contained in the notice, 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 purpose.

C. The charges do not exceed the proportional cost of the water service. 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 (including the City's share of the Project costs), divided by the actual amount of water used.

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 3. 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.

"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."

SECTION 4. Beginning on February 1, 2008, the monthly water usage fee to be charged for each unit of water, or 748 gallons, used shall be as follows:

February 1, 2008:	\$2.25/unit
July 1, 2008:	\$2.75/unit
July 1, 2009:	\$3.50/unit
July 1, 2010:	\$4.00/unit

SECTION 4. 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 5. Effective Date. This Ordinance shall take effect thirty (30) days after adoption as provided by Government Code section 36937.

SECTION 6. Publication. This Ordinance shall be published once 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 December 4, 2007, and passed and adopted by the City Council of the City of El Paso de Robles on the 18th day of December, 2007 by the following roll call vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Mayor Frank R. Mecham

ATTEST:

Deborah Robinson
Deputy City Clerk