

RESOLUTION 22-167

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES, ADOPTING INCREASES IN WATER SERVICE CHARGES AND TAKING OTHER ACTIONS RELATING THERETO INCLUDING FINDING THAT THE ACTION IS STATUTORILY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACTION PURSUANT TO PUBLIC RESOURCES CODE SECTION 21080(b)(8) AND STATE CEQA GUIDELINES SECTION 15273(a)

WHEREAS, the City owns, operates, and maintains approximately 175 miles of water mains and pipelines, four storage facilities, seven booster pump stations, 19 wells, and two membrane filtration plants to produce, treat, and distribute water to the City's water customers; and

WHEREAS, Operation, maintenance, and renewal of the City's water system is entirely funded by the City's Water Enterprise Fund. Financially, the water utility is operated as a self-supporting enterprise relying primarily on revenues from water rates to fund the cost of providing service and maintaining the water system. Water rates we last adopted in 2015, with the last increase occurring in January of 2021; and

WHEREAS, on March 1, 2022 the City authorized the preparation and update of the City's Water Rates and Charges; and

WHEREAS, on October 4, 2022, the City adopted Ordinance No. 1125 amending Section 14.04.020 of the Paso Robles Municipal Code allowing rates for water service fees to be established by resolution; and

WHEREAS, on October 18, 2022 staff presented to the City Council a water rate proposal, along with the consultant's report "City of Paso Robles Water Rate Study" dated October 2022, prepared by Bartle Wells Associates. ("Rate Study"); and

WHEREAS, also on October 18, 2022, City Council adopted a resolution proposing increased water rates and authorizing initiation of Proposition 218 procedures, including the mailing of notices regarding a public hearing to consider a proposed resolution to adopt a combined fixed-rate and consumption-based fee structure; and

WHEREAS, the California Supreme Court determined in *Bigborn-Desert View Water Agency v. Verjil* (2006) 39 Cal. 4th 205, that fees for water delivery service are "property-related fees" subject to certain procedures set forth in Proposition 218 (Article XIIIID of the California Constitution); 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 not less than 45 days prior to December 20, 2022, 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 December 20, 2022, and considered any and all property owner and tenant protests; and

WHEREAS, at the public hearing on December 20, 2022, 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 RESOLVE AS FOLLOWS:

Section 1. Recitals. The City Council hereby finds that the foregoing recitals are true and correct and incorporated herein as substantive findings of this Resolution.

Section 2. Findings. 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. The rates are calculated to allow the City to recover its costs associated with (i) projected costs to make improvements to the water system; (ii) repayment of existing and proposed debt; (iii) funding repair and replacement of system components; and (iv) the other necessary and essential ongoing costs of operation and maintenance of the City’s water system. This finding is based upon the information contained in the notice, the October 2022 Rate Study, the staff reports to the City Council on October 10, 2022 and at the public hearing, and 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 due to state drought and conservation requirements.

Section 3. The rates for water service are hereby adopted by the City Council in the amounts and on the effective dates set forth below.

Charge Type	April 1, 2023	January 1, 2024	January 1, 2025	January 1, 2026	January 1, 2027
Monthly Fixed Charges Based on meter size					
Single Family 3/4 & 1-inch	\$13.00	\$16.00	\$19.00	\$22.00	\$25.00
3/4-inch Other	\$13.00	\$16.00	\$19.00	\$22.00	\$25.00
1-inch Other	\$16.33	\$22.67	\$29.00	\$35.34	\$41.67
1.5-inch	\$24.67	\$39.33	\$54.00	\$68.66	\$83.33
2-inch	\$34.67	\$59.33	\$84.00	\$108.66	\$133.33
3-inch	\$58.00	\$106.00	\$154.00	\$202.00	\$250.00
4-inch	\$91.33	\$172.67	\$254.00	\$335.34	\$416.67
6-inch & larger	\$174.67	\$339.33	\$504.00	\$668.66	\$833.33
Monthly Usage Charges Based on metered water use					
Rate per unit (\$/hcf)	\$6.68	\$6.81	\$6.96	\$7.13	\$7.32

Section 4. CEQA Compliance. The City Council finds that the administration, operation, maintenance, and improvements of the City's water system, which are to be funded by the Water Rates and Charges set forth herein, are necessary to maintain service within the City's existing water service areas as described herein. The City Council further finds that the administration, operation, maintenance, and improvements of the City's water system, to be funded by the Water Rates and Charges will not expand the City's water system. The City Council further finds that the adoption of the Water Rates and Charges is necessary and reasonable to fund the administration, operation, maintenance, and improvements of the City's water system. Based on these findings, the City Council determines that the adoption of the Water Rates and Charges established by this Resolution are exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines. The City Council is authorized to file a notice of exemption pursuant section 15062(a) of the California Code of Regulations. The documents and materials that constitute the record of proceedings on which these findings have been based are located at City Hall, located at 1000 Spring Street, Paso Robles, CA 93446. The custodian for these records is the City Clerk.

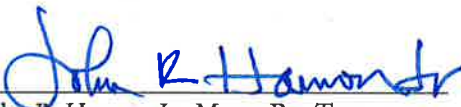
Section 5. Severability. Should any provision of this Resolution, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this Resolution or the application of this Resolution to any other person or circumstance and, to that end, the provisions hereof are severable.

Section 6. Effective Date. This Resolution shall take effect immediately upon its approval by the City Council.

Section 7. Record of Proceedings. The documents and materials associated with this Resolution that constitute the record of proceedings on which these findings are based are located at 1000 Spring Street, 2nd Floor, Paso Robles, California, 93446. The City Clerk is the custodian of the record of the proceedings.

APPROVED by the City Council of the City of El Paso de Robles, California, at its regular meeting held on the 20th day of December, 2022, by the following vote:

AYES: Gregory, Bausch, Strong, Martin, Hamon


John R. Hamon, Jr., Mayor Pro Tem

ATTEST:


Melissa Boyer, City Clerk