

City Council Meeting: January 28, 2020

Santa Monica, California

RESOLUTION NUMBER 11224 (CCS) (CITY
COUNCIL SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SANTA MONICA, CALIFORNIA, REVISING WASTEWATER
RATES AND WASTEWATER SERVICES CHARGES

WHEREAS, the City Council may establish, amend or revise from time to time by resolution the rates and service charges for supplying wastewater service to any customer pursuant to Government Code Section 54344 and Santa Monica Municipal Code Section 7.04.540 of the Santa Monica Municipal Code; and

WHEREAS, the City is implementing a comprehensive long-range wastewater system improvement program with the goal of maintaining a modern, reliable wastewater network and infrastructure and to achieve water self-sufficiency by 2023; and

WHEREAS, in order to achieve these goals, the City is implementing various water self-sufficiency projects as outlined in the 2018 Sustainable Water Master Plan Update; and

WHEREAS, wastewater rate increases are needed to invest in water self-sufficiency, maintain a modern and reliable wastewater infrastructure, and adequately fund ongoing cost of providing wastewater services; and

WHEREAS, the City of Santa Monica is proposing wastewater rate increases ("Wastewater Rate Increases") over a five-year period beginning March

1, 2020, and the proposed maximum percentage increases, on a systemwide basis, are:

March 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024
10%	10%	10%	10%	3%

; and

WHEREAS, in accordance with Government Code Section 54354, delinquent charges and penalties for wastewater services when recorded in accordance with Government Code Section 54355 shall constitute a lien upon the real property served; and

WHEREAS, the City Council held a public hearing (“Hearing”) to consider the proposed Wastewater Rate Increases on January 28, 2020; and

WHEREAS, the City Clerk gave notice of the proposed Wastewater Rate Increases, which notice contained a copy of the proposed resolution to adopt the Wastewater Rate Increases and a declaration that delinquent charges and penalties when recorded as provided in Government Code section 54355 shall constitute a lien upon the real property served, and which notice was published at least once each week for two weeks prior to the Hearing in the Santa Monica Daily Press, in accordance with Government Code section 54354.5; and

WHEREAS, a separate notice of the proposed Wastewater Rate Increases was also given in accordance with Article XIII D Section 6 of the California Constitution, by mailing such notice to the owner of record of each parcel in Santa Monica’s service area and parcels in the City of Los Angeles who receive wastewater service from the City of Santa Monica; and

WHEREAS, the City Council has considered all written and oral testimony presented at the Hearing and considered whether the proposed Wastewater Rate Increases: are not discriminatory or excessive; will be sufficient under Government Code section 54515; will comply with the provisions of Chapter 6 of Title 5, Division 2, Part 1 of the Government Code; will be sufficient under the provisions or covenants of any outstanding revenue bonds of the City, if any, payable from the wastewater rate revenues; and will be in compliance with law;

NOW, THEREFORE, THE CITY OF SANTA MONICA DOES RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby determines that the proposed Wastewater Rate Increases are not discriminatory or excessive; will be sufficient under Government Code section 54515; will comply with the provisions of Chapter 6 of Title 5, Division 2, Part 1 of the Government Code; will be sufficient under the provisions or covenants of any outstanding revenue bonds of the City, if any, payable from the wastewater rate revenues; and will be in compliance with law.

SECTION 2. As of March 1, 2020, or as soon thereafter as practical, the wastewater service charge will consist of a fixed charge and a commodity charge.

SECTION 3. As of March 1, 2020, or as soon thereafter as practical, the wastewater service fixed charge for the following property classifications shall be as follows for the following years:

BI-MONTHLY FIXED CHARGES					
Property Classification	Proposed Wastewater Rates				
	FY 2019/20 (3/1/20 to 12/31/20)	FY 2020/21 (1/1/21 to 12/31/21)	FY 2021/22 (1/1/22 to 12/31/22)	FY 2022/23 (1/1/23 to 12/31/23)	FY 2023/24 (1/1/24 to 12/31/24)
<i>Residential (\$/Dwelling Unit)</i>					
<i>Single Family</i>	\$14.06	\$15.46	\$17.01	\$18.71	\$19.27
<i>MFR: Duplex + Triplex</i>	\$5.66	\$6.23	\$6.85	\$7.53	\$7.76
<i>MFR: Fourplex + Larger</i>	\$4.27	\$4.69	\$5.16	\$5.68	\$5.85

<i>MFR: Individually metered</i>	\$6.87	\$7.55	\$8.31	\$9.14	\$9.41
<u>Non-Residential (\$/Account)</u>					
<i>MFR: Mixed Use</i>	\$137.42	\$151.16	\$166.27	\$182.90	\$188.39
<i>Commercial - Low</i>	\$40.17	\$44.18	\$48.60	\$53.46	\$55.06
<i>Commercial – Med.</i>	\$85.39	\$93.93	\$103.33	\$113.66	\$117.07
<i>Commercial - High</i>	\$214.65	\$236.12	\$259.73	\$285.70	\$294.27
<i>Institutional</i>	\$64.76	\$71.23	\$78.36	\$86.19	\$88.78
<i>Church/Schools</i>	\$41.30	\$45.43	\$49.97	\$54.97	\$56.62
<i>Misc. Industrial</i>	\$79.11	\$87.02	\$95.72	\$105.30	\$108.46
<i>Wastewater Only</i>	\$93.76	\$103.14	\$113.45	\$124.80	\$128.54

SECTION 4. As of March 1, 2020, or as soon thereafter as practical, the wastewater service commodity charge and the discharge factor applied to metered water usage to calculate wastewater output for the following property classifications shall be as follows for the following years:

BI-MONTHLY COMMODITY CHARGES						
Property Classification	Discharge Factor	Proposed Wastewater Rates				
		FY	FY	FY	FY	FY
		2019/20 (3/1/20 to 12/31/20)	2020/21 (1/1/21 to 12/31/21)	2021/22 (1/1/22 to 12/31/22)	2022/23 (1/1/23 to 12/31/23)	2023/24 (1/1/24 to 12/31/24)
<u>Residential (\$/HCF)</u>						
<i>Single Family</i>	85%	\$3.40	\$3.73	\$4.11	\$4.52	\$4.65
<i>MFR: Duplex + Triplex</i>	90%	\$3.40	\$3.73	\$4.11	\$4.52	\$4.65
<i>MFR: Fourplex + Larger</i>	97%	\$3.40	\$3.73	\$4.11	\$4.52	\$4.65
<i>MFR: Indiv. metered</i>	99%	\$3.40	\$3.73	\$4.11	\$4.52	\$4.65
<u>Non-Residential (\$/HCF)</u>						
<i>MFR: Mixed Use</i>	95%	\$3.15	\$3.47	\$3.81	\$4.19	\$4.32
<i>Commercial – Low</i>	93%	\$3.31	\$3.65	\$4.01	\$4.41	\$4.54
<i>Commercial – Medium</i>	94%	\$3.47	\$3.82	\$4.20	\$4.62	\$4.76
<i>Commercial – High</i>	95%	\$4.60	\$5.06	\$5.57	\$6.13	\$6.31
<i>Institutional</i>	82%	\$3.38	\$3.71	\$4.08	\$4.49	\$4.63
<i>Church/Schools</i>	81%	\$3.25	\$3.58	\$3.94	\$4.33	\$4.46
<i>Misc. Industrial</i>	88%	\$3.20	\$3.52	\$3.87	\$4.26	\$4.39
<i>Wastewater Only³</i>	NA	--	--	--	--	--

Note: HCF = hundred cubic feet

The Water Resources Manager shall have the authority to make adjustments in discharge factors for individual users where it is determined that

the actual quantity of wastewater discharge is substantially different from that established in the above table.

The wastewater rates above are based on wastewater volume (determined based on water usage and the listed discharge factors) and the property classification, which is determined based in part on the expected concentration (or strength) of pollutants in the wastewater discharge (“wastewater strength”). Wastewater strength values for individual users or various types of users may either be estimated or determined by laboratory analysis, at the direction of the Water Resources Manager. Where wastewater strength values are estimated, they shall be consistent with the current City of Los Angeles Amalgamated System Sewage Generation Factors. No wastewater strength values for non-residential users shall be less than the wastewater strength values established for residential users. The City may revise wastewater strength values from time to time as deemed necessary to reflect current conditions.

In the event any user believes that, based on the wastewater strength value established by the City for its wastewater discharge, its property classification is incorrect, that user shall have the option of having its wastewater sampled and analyzed at its own expense by a laboratory approved by the City. The manner, frequency, and duration of sampling and analysis shall be approved by the City to ensure that the resultant wastewater strength value is representative of all conditions of discharges. During the same time period when wastewater is being analyzed, the user shall pay all wastewater service charges based on the previously established property classification. In the event analyses show the actual strength value to be less than or greater than the previously established value, the City shall adjust the property classification and either refund or bill the

user, per Santa Monica Municipal Code Sections 7.04.560 and 7.12.112, for the difference in charges, as appropriate.

SECTION 5. On March 1, 2020, or as soon thereafter as practical, wastewater customers who do not receive water service from the City of Santa Monica will pay only the fixed charge established in Section 3 above.

SECTION 6. A low-income allowance will be offered to residential water customers with individual water meters who qualify for the City's Utilities User Tax Exemption Program or the Southern California Gas Co. or Southern California Edison low-income assistance programs. As of March 1, 2020, or as soon thereafter as practical, the residential low-income wastewater commodity charge for residential water customers with individual meters shall be as follows for the following years:

BI-MONTHLY LOW-INCOME COMMODITY CHARGES					
Property Classification	Proposed Wastewater Rates				
	FY	FY	FY	FY	FY
	2019/20 (3/1/20 to 12/31/20)	2020/21 (1/1/21 to 12/31/21)	2021/22 (1/1/22 to 12/31/22)	2022/23 (1/1/23 to 12/31/23)	2023/24 (1/1/24 to 12/31/24)
<i>Residential (\$/HCF)</i>	\$2.40	\$2.73	\$3.11	\$3.52	\$3.65

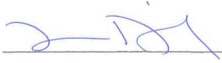
Note: HCF = hundred cubic feet

SECTION 7. In accordance with Government Code section 54354, delinquent charges and penalties for wastewater services recorded in accordance with Government Code section 54355 shall constitute a lien upon the real property served.

SECTION 8. Resolution Number 10322 (CCS) is hereby repealed in its entirety.

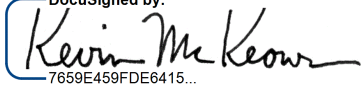
SECTION 9. The City Clerk shall certify to the adoption of this Resolution,
and thenceforth and thereafter the same shall be in full force and effect.

APPROVED AS TO FORM:

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LANE DILG
CITY ATTORNEY

Adopted and approved this 28th day of January 2020.

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Kevin McKeown, Mayor

I, Denise Anderson-Warren, City Clerk of the City of Santa Monica, do hereby certify that Resolution No. 11224 (CCS) was duly adopted at a meeting of the Santa Monica City Council held on the 28th day of January 2020, by the following vote:

AYES: Councilmembers Davis, Himmelrich, Jara, Morena, Winterer,
Mayor Pro Tem O'Day, Mayor McKeown

NOES: None

ABSENT: None

ATTEST:

DocuSigned by:

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Denise Anderson-Warren, City Clerk