

City Council Meeting: January 28, 2020

Santa Monica, California

RESOLUTION NUMBER 11225 (CCS) (CITY
COUNCIL SERIES)

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

WHEREAS, the City Council may establish, amend or revise from time to time by resolution the rates and service charges for supplying water service to any customer pursuant to Government Code Section 54344 and Santa Monica Municipal Code Section 7.12.010; and

WHEREAS, the City is implementing a comprehensive long-range water system improvement program with the goal of maintaining a modern, reliable water 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, water rate increases are needed to invest in water self-sufficiency, maintain a modern and reliable water infrastructure, and adequately fund ongoing cost of providing water services; and

WHEREAS, the City of Santa Monica is proposing water rate increases (“Water Rate Increases”) to the City’s tiered water structure 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
20%	18%	14%	14%	14%

; and

WHEREAS, in accordance with Government Code Section 54354, delinquent charges and penalties for water 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 Water Rate Increases on January 28, 2020; and

WHEREAS, the City Clerk gave notice of the proposed Water Rate Increases, which notice contained a copy of the proposed resolution to adopt the Water 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 Water 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 water 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 Water 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 water 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 Water 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 water rate revenues; and will be in compliance with law.

SECTION 2. As of March 1, 2020, or as soon thereafter as practical, all customers will be charged both a bi-monthly fixed water service rate (based on meter size as specified in Section 3 below) and a water commodity rate (based on usage as specified in Sections 4 through 8 below).

SECTION 3. As of March 1, 2020, or as soon thereafter as practical, the fixed water service rate structure for all customers shall be as follows for the following years:

Water Rate Schedule	Bi-Monthly Fixed Water Service Rates				
	FY 2019/20 (3/1/2020 to 12/31/2020)	FY 2020/21 (1/1/2021 to 12/31/2021)	FY 2021/22 (1/1/2022 to 12/31/2022)	FY 2022/23 (1/1/2023 to 12/31/2023)	FY 2023/24 (1/1/2024 to 12/31/2024)
Single Family Residential (meter size)					
3/4 inch	\$11.11	\$13.11	\$14.95	\$17.04	\$19.43
1 inch	\$11.11	\$13.11	\$14.95	\$17.04	\$19.43
1.5 inch	\$15.66	\$18.48	\$21.07	\$24.02	\$27.38
2 inch	\$21.13	\$24.93	\$28.42	\$32.40	\$36.93

Water Rate Schedule	Bi-Monthly Fixed Water Service Rates				
	FY 2019/20 (3/1/2020 to 12/31/2020)	FY 2020/21 (1/1/2021 to 12/31/2021)	FY 2021/22 (1/1/2022 to 12/31/2022)	FY 2022/23 (1/1/2023 to 12/31/2023)	FY 2023/24 (1/1/2024 to 12/31/2024)
Multi-family Residential and Non-Residential (meter size)					
3/4 inch	\$13.44	\$15.86	\$18.08	\$20.61	\$23.50
1 inch	\$13.44	\$15.86	\$18.08	\$20.61	\$23.50
1.5 inch	\$20.32	\$23.97	\$27.33	\$31.16	\$35.52
2 inch	\$28.57	\$33.71	\$38.43	\$43.81	\$49.94
3 inch	\$50.57	\$59.68	\$68.03	\$77.56	\$88.41
4 inch	\$75.33	\$88.89	\$101.33	\$115.52	\$131.69
6 inch	\$144.10	\$170.04	\$193.84	\$220.98	\$251.91
8 inch	\$391.66	\$462.16	\$526.86	\$600.62	\$684.71
Fire Service Lines (meter size)					
1.5 inch	\$42.65	\$50.33	\$57.38	\$65.41	\$74.57
2 inch	\$64.31	\$75.88	\$86.51	\$98.62	\$112.42
3 inch	\$132.88	\$156.80	\$178.75	\$203.77	\$232.30
4 inch	\$259.19	\$305.85	\$348.66	\$397.48	\$453.12
6 inch	\$584.00	\$689.12	\$785.60	\$895.58	\$1,020.96
8 inch	\$1,017.08	\$1,200.15	\$1,368.17	\$1,559.72	\$1,778.08
10 inch	\$1,522.33	\$1,796.35	\$2,047.84	\$2,334.54	\$2,661.38

Any unauthorized metered water usage for fire service lines shall result in doubling of the fixed service charge for those fire service lines.

SECTION 4. As of March 1, 2020, or as soon thereafter as practical, the three-tier water commodity rate structure for all customers (subject to adjustment to a drought rate structure pursuant to Section 6 below as directed by the City Council when water conservation is mandated and subject to adjustment pursuant to Section 7 below for residential low income customers with individual water meters) shall be as follows for the following years:

Water Rate Schedule	Commodity Charges – Bi-Monthly Volumetric Charges (\$/HCF) (All Customers)				
	FY 2019/20 (3/1/2020 to 12/31/2020)	FY 2020/21 (1/1/2021 to 12/31/2021)	FY 2021/22 (1/1/2022 to 12/31/2022)	FY 2022/23 (1/1/2023 to 12/31/2023)	FY 2023/24 (1/1/2024 to 12/31/2024)
Tier 1	\$3.78	\$4.46	\$5.08	\$5.80	\$6.61
Tier 2	\$4.39	\$5.18	\$5.91	\$6.73	\$7.67
Tier 3	\$6.26	\$7.39	\$8.42	\$9.60	\$10.94

Note: HCF = hundred cubic feet

SECTION 5. As of March 1, 2020, or as soon thereafter as practical, the bi-monthly tier breakpoint for water usage shall be as follows:

Bi-Monthly Tier Breakpoint Table in HCF			
Customer Class and Meter Size	Tier 1 Breakpoint	Tier 2 Breakpoint	Tier 3 Breakpoint
Single Family Residential Per Unit (all meter sizes)	0 - 11 HCF	12 - 18 HCF	19+ HCF
Multi-Family Residential Per Unit (all meter sizes)	0 - 8 HCF	9 - 13 HCF	14+ HCF
Non-Residential Per Meter Size:			
3/4 inch	0 - 11 HCF	12 - 18 HCF	19+ HCF
1 inch	0 - 11 HCF	12 - 18 HCF	19+ HCF
1.5 inch	0 - 22 HCF	23 - 36 HCF	37+ HCF
2 inch	0 - 35 HCF	36 - 58 HCF	59+ HCF
3 inch	0 - 70 HCF	71 - 115 HCF	116+ HCF
4 inch	0 - 110 HCF	111 - 180 HCF	181+ HCF
6 inch	0 - 220 HCF	221 - 360 HCF	361+ HCF
8 inch	0 - 924 HCF	925 - 1,512 HCF	1,513+ HCF

Note: HCF = hundred cubic feet

SECTION 6. As of March 1, 2020, or as soon thereafter as practical, a drought rate structure will be in place and be in effect as directed by City Council when water conservation is mandated. The level of conservation mandated will determine the adjusted three-tier water commodity rate structure, which for all customers shall be as follows for the following years:

Mandated Level of Conservation	Drought Commodity Charges – Bi-Monthly Volumetric Charges (\$/HCF) (All Customers)					
	FY 2019/20 (3/1/2020 to 12/31/2020)	FY 2020/21 (1/1/2021 to 12/31/2021)	FY 2021/22 (1/1/2022 to 12/31/2022)	FY 2022/23 (1/1/2023 to 12/31/2023)	FY 2023/24 (1/1/2024 to 12/31/2024)	
10%	Tier 1	\$3.90	\$4.60	\$5.24	\$5.97	\$6.81
	Tier 2	\$4.64	\$5.48	\$6.24	\$7.12	\$8.11
	Tier 3	\$6.80	\$8.03	\$9.15	\$10.43	\$11.89
20%	Tier 1	\$4.18	\$4.93	\$5.62	\$6.41	\$7.31
	Tier 2	\$4.98	\$5.88	\$6.70	\$7.64	\$8.71
	Tier 3	\$7.30	\$8.62	\$9.82	\$11.20	\$12.76
	Tier 1	\$4.55	\$5.36	\$6.12	\$6.97	\$7.95

Mandated Level of Conservation	Drought Commodity Charges – Bi-Monthly Volumetric Charges (\$/HCF) (All Customers)				
	FY 2019/20 (3/1/2020 to 12/31/2020)	FY 2020/21 (1/1/2021 to 12/31/2021)	FY 2021/22 (1/1/2022 to 12/31/2022)	FY 2022/23 (1/1/2023 to 12/31/2023)	FY 2023/24 (1/1/2024 to 12/31/2024)
30% Tier 2	\$5.42	\$6.39	\$7.29	\$8.31	\$9.47
Tier 3	\$7.94	\$9.37	\$10.68	\$12.18	\$13.88
40% Tier 1	\$5.03	\$5.94	\$6.77	\$7.72	\$8.80
Tier 2	\$6.00	\$7.08	\$8.07	\$9.20	\$10.49
Tier 3	\$8.79	\$10.38	\$11.83	\$13.49	\$15.37
50% Tier 1	\$5.72	\$6.75	\$7.69	\$8.77	\$10.00
Tier 2	\$6.81	\$8.04	\$9.16	\$10.45	\$11.91
Tier 3	\$9.99	\$11.79	\$13.43	\$15.32	\$17.46
60% Tier 1	\$6.74	\$7.96	\$9.07	\$10.34	\$11.79
Tier 2	\$8.03	\$9.48	\$10.81	\$12.32	\$14.04
Tier 3	\$11.78	\$13.90	\$15.84	\$18.06	\$20.59

Note: HCF = hundred cubic feet

SECTION 7. 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 water commodity charge for residential customers with individual water meters shall be as follows for the following years:

Low-Income Commodity Charges – Bi-Monthly Volumetric Charges (\$/HCF) (Residential Customers with Individual Water Meters Only)					
	FY 2019/20 (3/1/2020 to 12/31/2020)	FY 2020/21 (1/1/2021 to 12/31/2021)	FY 2021/22 (1/1/2022 to 12/31/2022)	FY 2022/23 (1/1/2023 to 12/31/2023)	FY 2023/24 (1/1/2024 to 12/31/2024)
Tier 1	\$2.78	\$3.46	\$4.08	\$4.80	\$5.61
Tier 2	\$4.39	\$5.18	\$5.91	\$6.73	\$7.67
Tier 3	\$6.26	\$7.39	\$8.42	\$9.60	\$10.94

Note: HCF = hundred cubic feet

SECTION 8. As of March 1, 2020, or soon thereafter as practical, the one-tier recycled water rate will remain the same and shall be as follows:

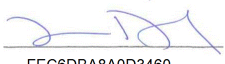
\$3.49 per HCF

SECTION 9. In accordance with Government Code section 54354, delinquent charges and penalties for water services recorded in accordance with Government Code section 54355 shall constitute a lien upon the real property served.

SECTION 10. Resolution Number 10867 (CCS) is hereby repealed in its entirety.

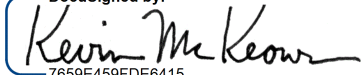
SECTION 11. The City Clerk shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect.

APPROVED AS TO FORM:

DocuSigned by:

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LANE DILG
CITY ATTORNEY

Adopted and approved this 28th day of January 2020.

DocuSigned by:

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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. 11225 (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