

ORDINANCE NO. 1016

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COACHELLA TO INCREASE THE RATES FOR WATER SERVICE CHARGES COMMENCING MAY 1, 2010

RECITALS:

WHEREAS, the City of Coachella (the “City”) is a duly organized general law city and municipal corporation existing in the state of California; and

WHEREAS, the City Council of the City sits as the governing body of the City; and

WHEREAS, the City Council on behalf of the Coachella Water Authority wishes to increase the rates for the water service charges (the “Charges”) commencing May 1, 2010; and

WHEREAS, the City, on behalf of the Coachella Water Authority determined to undertake a rate study to analyze the revenue requirements, and the rate structure necessary to proportionately allocate the costs of providing water services; and

WHEREAS, a rate study was prepared by MuniFinancial (the “Rate Study”), a copy of which is on file in the Office of the City Clerk, which demonstrates that existing water system revenues are and will be insufficient to cover: (i) current and projected operations and maintenance costs of the water system (the “System”); and (ii) the capital infrastructure improvements needed to repair, replace, and update the System; and

WHEREAS, the results of the Rate Study includes the proposed rates for the Charges and documents the estimated and reasonable costs of providing water services to property owners and tenants directly liable for payment of such Charges (collectively referred to herein as “customers”) in the City; and

WHEREAS, the findings and determinations contained herein are based upon the Rate Study documenting the estimated reasonable costs of providing water services to customers in the City; and

WHEREAS, the City has determined to increase the rates for its Charges for a six-year period, commencing May 1, 2010, and each May 1 thereafter, through and including May 1, 2015; and

WHEREAS, the City Council hereby finds and determines the following with regard to the proposed rate increases to the Charges:

1. the rate structure for the Charges has two components: (a) a meter charge (the “Meter Charge”), which is a fixed monthly charge determined on the basis of the size of the customer’s meter; and (b) a variable consumption charge (the “Consumption

Charge”), which is imposed on the basis of the amount of water used or consumed by the customer in hundreds of cubic feet (“HCF”);

2. the proposed rates for the Charges referenced above and those included in the Rate Study and this Ordinance represent increases in such Charges;
3. the revenues derived from the proposed Charges will not exceed the funds required to provide the water services and shall be used exclusively for the System;
4. the amount of the proposed Charges will not exceed the proportional cost of the services attributable to each parcel upon which they are proposed for imposition;
5. the proposed Charges will not be imposed on a parcel unless the water services are actually used by, or immediately available to, the customer of the parcel;
6. the proposed Charges will not be used for any other purpose than that for which they are imposed;
7. the proposed Charges are not levied for general governmental services;
8. the proposed Charges are not calculated or developed on the basis of any parcel map, including an assessor's parcel map, but are based upon reasonable estimates of the demand placed upon the City in its role as a provider of the water services; and
9. the proposed Charges represent increases in the fees and charges needed to provide water services and to operate the System; and

WHEREAS, the City hereby finds and determines that in accordance with the provisions of California Constitution article XIII D, section 6 (“Article XIII D”):

1. the City identified the parcels upon which the increased Charges are proposed to be imposed, and calculated the amount of the Charges proposed to be imposed on each parcel;
2. on January 15, 2010, the City Clerk caused a written notice to be mailed to customers of each parcel upon which the proposed increases to the Charges are proposed for imposition, which explained: (a) the amount of the Charges; (b) the basis on which they were calculated; (c) the reason for the increases; and (d) the date, time, and location of the public hearing on the proposed increases;
3. on March 10, 2010, (more than 45 days after mailing the notice), the City conducted a public hearing and considered all written protests against the proposed increases to the rates for the Charges; and

4. at the conclusion of the public hearing, written protests against the proposed increases to the rates for the Charges were not presented by a majority of customers subject to the proposed Charges; and

WHEREAS, the City, as the lead agency under the California Environmental Quality Act (“CEQA”), in consultation with the City’s Legal Counsel, prepared a Preliminary Exemption Assessment for the adoption of this Ordinance in order to evaluate its potential impacts. The City determined that this Ordinance is exempt from CEQA review under Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273 because the Charges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System and will not result in the expansion of the System;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COACHELLA DOES ORDAIN AS FOLLOWS:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. As the decision-making body for the City, the City Council has reviewed and considered the information contained in the Preliminary Exemption Assessment and administrative record. The City Council finds that the Preliminary Exemption Assessment contains a complete and accurate reporting of the environmental impacts associated with the adoption of this Ordinance and reflects the independent judgment of the City Council.

Section 3. The City Council hereby finds that the administration, operation, maintenance, and improvements of the System, which are to be funded by the Charges set forth herein, are necessary to maintain service within the City’s existing service area. The City Council further finds that the administration, operation, maintenance, and improvements of the System, to be funded by the Charges set forth herein, will not expand the System. The City Council further finds that such Charges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System. Based on these findings, the City Council hereby determines that this Ordinance is exempt from the requirements of CEQA pursuant to California Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273(a).

Section 4. The documents and materials that constitute the record of proceedings on which these findings have been based are located at City of Coachella, 1515 Sixth Street, Coachella, California 92236. The custodian for these records is the City Clerk of the City.

Section 5. The City Council hereby adopts Charges at the rates, in the amounts, on the effective dates set forth in the tables below:

Rates for Monthly Meter Charge (\$/Meter Size)

<u>Meter Size</u>	<u>Effective Date</u>					
	<u>5/1/2010</u>	<u>1/1/2011</u>	<u>1/1/2012</u>	<u>1/1/2013</u>	<u>1/1/2014</u>	<u>1/1/2015</u>
5/8" – 3/4"	9.69	10.66	11.92	12.52	13.14	13.80
1"	13.57	14.93	16.69	17.53	18.40	19.32
1 1/2"	17.45	19.19	21.46	22.53	23.66	24.84
2"	28.11	30.92	34.57	36.30	38.12	40.02
3"	106.62	117.28	131.14	137.70	144.59	151.82
4"	135.70	149.27	166.91	175.26	184.02	193.22
6"	203.55	223.91	250.37	262.88	276.03	289.83
8"	281.09	309.20	345.74	363.03	381.18	400.24

Rates for Consumption Charge

<u>Tiers</u>	<u>Effective Date</u>					
	<u>5/1/2010</u>	<u>1/1/2011</u>	<u>1/1/2012</u>	<u>1/1/2013</u>	<u>1/1/2014</u>	<u>1/1/2015</u>
Block 1 Rates (per hcf) – 0 to 41 hcf	\$1.05	\$1.16	\$1.30	\$1.36	\$1.43	\$1.50
Block 2 Rates (per hcf) – Over 41 hcf	\$1.21	\$1.31	\$1.45	\$1.51	\$1.58	\$1.65

Section 6. The City Council hereby authorizes and directs the City Manager to implement and take all actions necessary to effectuate the rates for the Charges set forth herein and to file a Notice of Exemption with the County Clerk for Riverside County within five (5) working days of the date of the adoption of this Ordinance.

Section 7. To the extent that any other provision of local law relating to the establishment of water charges is inconsistent with this Ordinance, the provisions of this Ordinance shall prevail. This Ordinance shall supersede all other previous City Council resolutions and ordinances that may conflict with, or be contrary to, this Ordinance.

Section 8. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remainder of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional, provided, however, that if any decision of a court of competent jurisdiction

invalidates the increase of the Charges set forth in this Ordinance, then the Charges in effect on the date of adoption shall continue in existence.

Section 7. The City Clerk shall certify to the passage of this Ordinance and cause the same or a summary thereof to be published within fifteen (15) days after adoption in a newspaper of general circulation, printed and published in Coachella, California.

Section 8. A full reading of this Ordinance is hereby waived. This Ordinance was introduced at a regular meeting of the City Council of the City of Coachella, California, on March 10, 2010, and thereafter adopted at a regular meeting of the City Council held on the March 24, 2010.

PASSED AND ADOPTED on this 24th day of March, 2010, by the following vote:

AYES: Councilmember Martinez, Councilmember Villarreal and Mayor Garcia

NOES: None.

ABSTAIN: None.

ABSENT: Councilmember Ramirez and Mayor Pro Tem Hernandez.



Mayor
Eduardo Garcia

ATTEST:



City Clerk
Isabel Castillon