

## **RESOLUTION NO. 3989**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COALINGA APPROVING NEW WATER AND SEWER RATES EFFECTIVE NOVEMBER 1, 2020**

WHEREAS, Coalinga Municipal Code provides for modifications to water and sewer rates by resolution of the City Council; and

WHEREAS, water rates were last increased July 1, 2015, based on Resolution No. 3683, dated June 18, 2015; and

WHEREAS, sewer rates were last increased July 1, 2005, based on Resolution No. 2720, dated June 24, 1999; and

WHEREAS, water and sewer system operation and maintenance costs have increased over the years resulting in needed rate increases to cover costs and meet bond covenant requirements; and

WHEREAS, the water system is in critical need of infrastructure improvements resulting in needed rate increases to provide for additional bond funding; and

WHEREAS, the water enterprise fund balance is depleted, and the proposed rate increases are designed to gradually rebuild water enterprise cash reserves; and

WHEREAS, IGService prepared a Water and Wastewater Financial Analysis and Rate Study, dated September 1, 2020, providing explanations and calculations for the determination of reset water and sewer rates; and

WHEREAS, the City Council of the City of Coalinga discussed the proposed revised rates on July 29, 2020, and supported issuing a rate increase notice to all customers and property owners; and

WHEREAS, virtual community meetings to allow customer questions and hear customer concerns were advertised ahead of time and then held at 11 am, Tuesday September 29, 2020, and at 6 pm Thursday October 8, 2020; and

WHEREAS, a notice of the proposed water and sewer rates was mailed to customers and property owners in accordance with the requirements of Proposition 218 and Government Code section 53750 et seq.; and

WHEREAS, a public hearing to consider the proposed new water and sewer rates and any protests to such rates was held at a public meeting on October 15, 2020, before the City Council of the City of Coalinga, which meeting and hearing was more than 45 days after the notice to customers and property owners was mailed; and

WHEREAS, written protests to the proposed new water and sewer rates were not presented by a majority of customers and property owners; and

WHEREAS, the proposed water and sewer rates set forth in Exhibit "A" attached hereto are nondiscriminatory and do not exceed the cost of providing service and improvements to the water and sewer systems for which the rates and charges are imposed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Coalinga as follows:

1. The schedule of new water and sewer rates in Exhibit "A" attached hereto are hereby adopted, and the new water and sewer rates shall be effective on November 1, 2020. New rates will appear on customer bills received at the end of December for billing cycles spanning November into December.
2. The new water and sewer rates shall be effective until a subsequent City Council Resolution is adopted further amending these rates.

The foregoing resolution was approved and adopted at a regular meeting of the City Council of the City of Coalinga held on the 15th day of October 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

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Mayor

ATTEST:

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City Clerk/Deputy City Clerk

## EXHIBIT “A”

City of Coalinga Water Rates and Charges								
		Present Rates	Proposed Rates					
			11/1/2020		11/1/2021	11/1/2022	11/1/2023	11/1/2024
Volumetric Rates (\$/TG)		Effective 7/1/2015	Percent Increase	New Rate	8%	8%	3%	3%
	Urban Residential	\$2.02	13%	\$2.28	\$2.46	\$2.66	\$2.74	\$2.82
	Urban Commercial	1.91	20%	2.28	2.47	2.67	2.75	2.83
	Rural	1.86	20%	2.23	2.41	2.60	2.68	2.76
	CDC - PVSP and CSH	2.32	16%	2.69	2.91	3.14	3.23	3.33
<b>Fixed Monthly Charges (\$/Mo)</b>								
<b>Urban Res and Commercial</b>								
	1" Meter Size	\$23.81	16%	\$27.62	\$29.83	\$32.22	\$33.19	\$34.19
	1.5"	95.20	16%	110.43	119.26	128.80	132.66	136.64
	2"	360.41	16%	418.08	451.53	487.65	502.28	517.35
	3"	809.27	16%	938.75	1,013.85	1,094.96	1,127.81	1,161.64
	4"	1,438.98	16%	1,669.22	1,802.76	1,946.98	2,005.39	2,065.55
	6"	3,239.70	16%	3,758.05	4,058.69	4,383.39	4,514.89	4,650.34
	8"	5,759.92	16%	6,681.51	7,216.03	7,793.31	8,027.11	8,267.92
	10"	6,398.89	16%	7,422.71	8,016.53	8,657.85	8,917.59	9,185.12
<b>Rural</b>								
	1" Meter Size	\$32.92	20%	\$39.50	\$42.66	\$46.07	\$47.45	\$48.87
	1.5"	131.77	20%	158.12	170.77	184.43	189.96	195.66
	2"	592.86	20%	711.43	768.34	829.81	854.70	880.34
	3"	1,333.57	20%	1,600.28	1,728.30	1,866.56	1,922.56	1,980.24
	4"	2,370.02	20%	2,844.02	3,071.54	3,317.26	3,416.78	3,519.28
	6"	5,335.79	20%	6,402.95	6,915.19	7,468.41	7,692.46	7,923.23
	8"	9,485.85	20%	11,383.02	12,293.66	13,277.15	13,675.46	14,085.72
	10"	10,539.67	20%	12,647.60	13,659.41	14,752.16	15,194.72	15,650.56
<b>California Department of Corrections</b>								
	PVSP	\$11,156.00	16%	\$12,940.96	\$13,976.24	\$15,094.34	\$15,547.17	\$16,013.59
	CSH	3,152.78	16%	3,657.22	3,949.80	4,265.78	4,393.75	4,525.56

## EXHIBIT “A” (Continued)

City of Coalinga Sewer Rates and Charges								
	Present Rates	Proposed Rates						
		11/1/2020		11/1/2021	11/1/2022	11/1/2023	11/1/2024	
	Effective 7/1/2005	Percent Increase	New Rate	3%	3%	3%	3%	
<b>Residential Customers</b>								
Fixed monthly charge for Single-Family Residential and Multi-Family Residential for each unit	\$15.68	40%	\$21.95	\$22.61	\$23.29	\$23.99	\$24.71	
<b>Non-Residential Customers</b>								
Minimum monthly charge for non-residential customers	\$15.68	40%	\$21.95	\$22.61	\$23.29	\$23.99	\$24.71	
Volumetric charge based on metered potable water per thousand gallons ( <u>With</u> separate landscape meter)	\$2.59	88%	\$4.86	\$5.01	\$5.16	\$5.31	\$5.47	
Volumetric charge based on metered potable water per thousand gallons ( <u>Without</u> separate landscape meter)	\$2.32	109%	\$4.86	\$5.01	\$5.16	\$5.31	\$5.47	
Note: The City recommends the installation of separate landscape water meters, exempt from the calculation of sewer charges, for customers with landscape.								
<b>Educational Institutions</b>								
Monthly charge is fixed based on the average monthly metered potable water volume during December through March each year	\$2.59	88%	\$4.86	\$5.01	\$5.16	\$5.31	\$5.47	