RESOLUTION NO. 2016-65

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO ADOPTING 5-YEAR SCHEDULE OF WATER AND SEWER RATES AND DROUGHT SURCHARGES

WHEREAS, on July 2006, the California Supreme Court ruled that metered rates for consumption of water services are "property-related fees" subject to Proposition 218 majority protest hearing; and

WHEREAS, in compliance with the State of California Constitution and the Proposition 218 Omnibus Implementation Act and AB 3030 Section 53756 of the Government Code, the City on October 19, 2016 mailed 9,617 public hearing notices to property owners and ratepayers in the City as required by the Supreme Court Ruling; and

WHEREAS, staff presented to City Council and the public on December 7, 2016 to consider the establishment of a 5-Year schedule of Water and Sewer Rate Increases; and

WHEREAS, staff reported the Water and Sewer Fund must recover all costs from user charges as it is a business-type operation not supported by any taxes, and

WHEREAS, the water operations and maintenance component of the Water Fund has experiences a shortfall of between $1.4 to $1.7 million between fiscal years 2015-2016 and 2016-2017; and

WHEREAS, the shortfall in revenue is directly attributed to a dramatic decrease in water sales due to State mandated water conservation requirements; and

WHERAS, the City is required to set rates that are sufficient to cover operating cost, capital improvements and debt service obligations; and

WHEREAS, all revenues derived from water and sewer charges are required to be deposited into the Water and Sewer Funds; and

WHEREAS, to address the potential future reductions in revenues as a result of additional water conservation the City Council desire to adopt drought rates during each respective Level as a means to stabilize rate revenues.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Norco hereby resolves a 5-Year Schedule of Water and Sewer Rate Increases and Drought Surcharges as shown below are adopted, provided that a majority of property owners in the City do not protest against these rates.

Adopted Potable Water Rates

(Single Family, Multi-Family, Commercial, Industrial, Irrigation, and Municipal Customers)

	Current	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Fixed Monthly Charge						
3/4"	$20.87	$35.74	$39.42	$43.27	$47.10	$47.80
1"	$33.12	$53.09	$58.54	$64.26	$69.96	$71.01
1 ½"	$83.23	$124.04	$136.75	$150.14	$163.48	$165.95
2"	$108.31	$159.55	$175.90	$193.13	$210.29	$213.47
3"	$290.80	$417.94	$460.73	$505.88	$550.86	$559.23
4"	$521.75	$744.95	$821.21	$901.69	$981.87	$996.81
6"	$1,247.06	$1,771.94	$1,953.30	$2,144.75	$2,335.48	$2,371.04
8"	$2,843.06	$2,843.06	$3,134.02	$3,441.22	$3,747.24	$3,804.31
10"	$3,172.60	$4,497.90	$4,958.21	$5,444.23	$5,928.38	$6,018.68
12"	NA	$7,393.83	$8,150.49	$8,949.43	$9,745.30	$9,893.75
Usage Charge						
Rate (per HCF)	$2.22	$2.12	$2.22	$2.44	$2.66	$2.70

Adopted Fireline Water Rates

(Single Family, Multi-Family, Commercial, Industrial, Irrigation, and Municipal Customers)

Fire Line Size	Current	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
2"	$20.87	$36.48	$40.85	$45.35	$49.88	$50.88
3"	$20.87	$37.88	$42.42	$47.09	$51.80	$52.83
4"	$20.87	$40.29	$45.13	$50.09	$55.10	$56.20
6"	$20.87	$48.96	$54.84	$60.87	$66.96	$68.30
8"	$20.87	$63.92	$71.59	$79.46	$87.41	$89.16
10"	$20.87	$86.42	$96.79	$107.43	$118.17	$120.54
12"	$20.87	$117.59	$131.71	$146.19	$160.81	$164.03
Usage Charge						
Rate (per HCF)	$4.44	$4.24	$4.44	$4.88	$5.32	$5.40

Adopted Sewer Rates
(Single Family, Multi-Family, Commercial, Industrial, Irrigation, and Municipal Customers)

	Current	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Monthly Fixed Charge						
	$51.00	$51.00	$51.00	$53.81	$56.77	$59.89
Sewer Usage Charge						
Rate (per HCF)	$8.00	$8.00	$8.00	$8.44	$8.90	$9.39
Monthly Non-Connect Fee						
	$19.00	$19.00	$19.00	$20.05	$21.15	$22.31

* Monthly Fixed Charge applies to all customer classes
** Sewer Usage Charge excludes single family and irrigation customer classes
*** Monthly Non-Connect Fee is for single family residential on septic
**** Multi-Family customer class is defined as 4 or more dwelling units

Adopted Drought Surcharge Rates

Water Shortage Response Level	Conservation Target	Drought Surcharge
Level 1	0%	$-
Level 2	20%	$0.37
Level 3	30%	$0.71
Level 4	40%	$1.14
Level 5	>50%	$1.73

* Surcharge shall be assessed to all monthly metered water usage

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PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on December 7, 2016.

Greg Newton, Mayor
City of Norco, California

ATTEST:

Cheryl L. Link, CMC, City Clerk
City of Norco, California

I, Cheryl L. Link, CMC, City Clerk of the City of Norco, California, do hereby certify that the foregoing Resolution was adopted by the City Council of the City of Norco, California at a regular meeting thereof held on December 7, 2016, by the following vote of the City Council.

AYES:	BASH, GRUNDMEYER, HOFFMAN, NEWTON
NOES:	NONE
ABSENT:	HANNA
ABSTAIN:	NONE

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on December 7, 2016.

Cheryl Link, CMC, City Clerk
City of Norco, California