

RESOLUTION NO. 7536**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
ESTABLISHING WATER RATES PURSUANT TO
SECTION 35.3, 35.4, AND 35.5 OF CHAPTER 35 OF
THE SOUTH PASADENA MUNICIPAL CODE
AND REPEALING RESOLUTION NO. 7331**

WHEREAS, the City Council has determined that the water rates should reflect the cost of providing water service, including the continued repair, replacement and maintenance of the water system infrastructure; and

WHEREAS, the City Manager has submitted a report analyzing said operating costs and funding requirements for operating costs and capital improvements of the water system; and

WHEREAS, said report recommended an increase in the existing water rates to sustain ongoing operating costs, funding of services, capital improvements and emergency repairs; and

WHEREAS, the Water Revenue Bond issuance of 2009 contains, among other things, a rate covenant whereby the City agreed it would establish and collect rates, fees and charges and manage the operation of the Water System such that Water System revenues would be at least sufficient to pay all current operation and maintenance costs, and all payments required under the terms of the Water Revenue Bond, and all payments to meet other obligations of the City which are charges, liens or encumbrances upon Water System revenues, including the payments due under the Water Bond Issuance of 2004; and

WHEREAS, the Water Revenue Bond issuance of 2009 contains, among other things, a rate covenant whereby the City further agreed to establish and collect rates, fees and charges for each fiscal year so as to yield Water System Net revenues equal to at least 120% of the annual debt service during such fiscal year; and

WHEREAS, on September 6, 2017, the City Council designated November 1, 2017, as a Public Hearing date for Proposed Water and Sewer Rates, and approved the Proposition 218 Notice for the year 2018 to 2022 water rates to be mailed out at least 45 days prior to the Public Hearing date; and

WHEREAS, in accordance with the Proposition 218 Notice, on November 1, 2017, a Public Hearing was convened, at which time the City Council considered the written and oral protest filed or presented in connection therewith; and

WHEREAS, the City Council finds that the written protests received are less than 50% of the parcels affected thereby.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Resolution No. 7331 previously establishing water rates on January 15, 2014, is repealed effective January 1, 2018.

SECTION 2. In accordance with Section 35.3, 35.4, and 35.5 of Chapter 35 of the South Pasadena Municipal Code, the City Council does hereby accept and adopt the proposed schedule of water rates for years 2018 to 2022 attached hereto as Exhibit "A."

SECTION 3. The increases in the rates for calendar year 2018 set forth in Exhibit "A" shall be made effective on January 1, 2018, and each succeeding increase shall be made effective on January 1st of each succeeding year.

SECTION 4. Pursuant to Government Code Section 53756, the City also proposes to adopt a program to pass through any wholesale water rate increases. In addition, with regard to its delivery costs, the City proposes to adjust those charges by any changes in the Consumer Price Index. Any such increases will be applied pursuant to the methodology set forth below. The City may determine, in any given year, not to raise rates, or to raise them less than the wholesale water costs or inflation increases. The City will calculate these pass-through increase amounts annually. The City will provide all customers written notice of the pass-through increases not less than 30 days before the effective date of the adjustment.

The methodology for calculating the pass-through increases will be as follows:

- For each increase in the wholesale water charge per unit, the City will add the same amount to the City's water rate.
- In addition to the wholesale water rate increases proposed above, the City will pass through any increases in its delivery costs attributable to inflation. The amount of the increase (if any) will be measured by the Los Angeles-Orange County-Riverside Consumer Price Index (all urban consumers, all items) ("CPI"). The City will calculate the pass-through CPI increase using the year-to-year comparison of the then-current year and immediately preceding year.

SECTION 5. The City Clerk of the City of South Pasadena shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

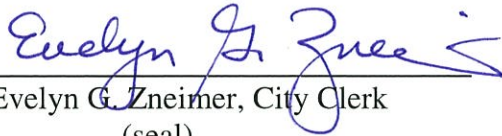
PASSED, APPROVED AND ADOPTED ON this 1st day of November, 2017.



Michael A. Cacciotti, Mayor

ATTEST:

APPROVED AS TO FORM:



Evelyn G. Zneimer, City Clerk
(seal)



Teresa L. Highsmith, City Attorney

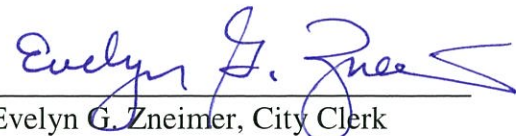
I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 1st day of November, 2017, by the following vote:

AYES: Joe, Khubesrian, Mahmud, Schneider, and Mayor Cacciotti

NOES: None

ABSENT: None

ABSTAINED: None



Evelyn G. Zneimer, City Clerk
(seal)

EXHIBIT A

	Current	January 2018	January 2019	January 2020	January 2021	January 2022
Bi-Monthly Fixed Charge						
3/4"	\$72.93	\$73.97	\$79.15	\$83.90	\$88.94	\$94.28
1"	\$109.92	\$111.19	\$118.98	\$126.12	\$133.69	\$141.72
1 1/2"	\$202.39	\$204.26	\$218.56	\$231.68	\$245.59	\$260.33
2"	\$313.37	\$315.94	\$338.06	\$358.35	\$379.86	\$402.66
3"	\$572.29	\$576.52	\$616.88	\$653.90	\$693.14	\$734.73
4"	\$942.17	\$948.78	\$1,015.20	\$1,076.12	\$1,140.69	\$1,209.14
6"	\$1,866.88	\$1,879.43	\$2,011.00	\$2,131.66	\$2,259.56	\$2,395.14
8"	\$3,346.43	\$3,368.47	\$3,604.27	\$3,820.53	\$4,049.77	\$4,292.76
Volume Charge (per hcf)						
Tier 1	\$1.97	\$2.93	\$3.14	\$3.33	\$3.53	\$3.75
Tier 2	\$3.36	\$3.69	\$3.95	\$4.19	\$4.45	\$4.72
Tier 3	\$5.41	\$4.32	\$4.63	\$4.91	\$5.21	\$5.53
Efficiency Fee (per hcf)	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14
Bi-Monthly Tier Allocation						
Meter Size	Tier 1	Tier 2	Tier 3			
3/4"	15	30	30+			
1"	20	45	45+			
1 1/2"	40	90	90+			
2"	90	190	190+			
3"	200	460	460+			
4"	237	490	490+			
6"	275	600	600+			
8"	350	800	800+			