

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: June 21, 2010

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE WATER RATE ORDINANCE, CHAPTER 13.20 OF THE PASADENA MUNICIPAL CODE, TO ELIMINATE BLOCK 5 ALLOCATION AND RATES; REDUCE BLOCK 4 RATES; DISCONTINUE REFUNDS OR CREDITS FOR WATER PURCHASED UNDER BLOCKS 4 AND 5; AND AUTHORIZE INCREASES TO THE PURCHASED WATER ADJUSTMENT CHARGE

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE WATER RATE ORDINANCE, CHAPTER 13.20 OF THE PASADENA MUNICIPAL CODE, TO ELIMINATE BLOCK 5 ALLOCATION AND RATES; REDUCE BLOCK 4 RATES; DISCONTINUE REFUNDS OR CREDITS FOR WATER PURCHASED UNDER BLOCKS 4 AND 5; AND AUTHORIZE INCREASES TO THE PURCHASED WATER ADJUSTMENT CHARGE

PURPOSES OF THE ORDINANCE:

This ordinance is presented at the direction of the City Council given on June 14, 2010. The overall purpose of this ordinance is to adjust water rates to recover the Water and Power Department's cost of providing water service. More specifically, this ordinance modifies water commodity rates by: a) eliminating Block 5 water allocation and rates; b) reducing Block 4 water rates by twenty-five percent; c) discontinuing refunds or credits for water purchased under Blocks 4 and 5; and d) authorizing increases to the Purchased Water Adjustment Charge of 9.5 cents per billing unit effective October 1, 2010 and 12 cents per billing effective October 1, 2011 (748 gallons of water constitutes a billing unit).

07/12/2010

MEETING OF 06/21/2010

AGENDA ITEM NO. -33- 17

REASONS WHY LEGISLATION IS NEEDED:

Charges to be made for water must be prescribed by ordinance pursuant to Section 1403 of the Pasadena City Charter.


PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

Water customers taking service from the Water and Power Department will be responsible to pay the rates established under this ordinance.


FISCAL IMPACT:

As stated in the Agenda Report dated June 14, 2010, the proposed water rate adjustments will increase the Water Fund operating revenues and the transfer from the Water Fund to the General Fund by approximately \$2.43 million and \$0.15 million, respectively, in FY 2011. The proposed water rate adjustments will also increase the Water Fund operating revenues and the transfer from the Water Fund to the General Fund by approximately \$2.87 million and \$0.17 million, respectively, in FY 2012.

Respectfully submitted,


Michele Beal Bagneris
City Attorney

Prepared by:


Scott D. Rasmussen
Assistant City Attorney

Introduced by _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE WATER RATE ORDINANCE, CHAPTER 13.20 OF THE PASADENA MUNICIPAL CODE, TO ELIMINATE BLOCK 5 ALLOCATION AND RATES; REDUCE BLOCK 4 RATES; DISCONTINUE REFUNDS OR CREDITS FOR WATER PURCHASED UNDER BLOCKS 4 AND 5; AND AUTHORIZE INCREASES TO THE PURCHASED WATER ADJUSTMENT CHARGE

The People of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and the corresponding costs of publication, may be published by title and summary as permitted by Section 508 of the Charter. The approved summary of this ordinance reads as follows:

“ SUMMARY

The purpose of Ordinance No. _____ is to amend water rates for customers of the City of Pasadena. The ordinance amends the Water Rate Ordinance, Chapter 13.20 of the Pasadena Municipal Code to: eliminate Block 5 allocation and rates and reduce Block 4 rates by twenty-five percent; discontinue Block 5 rate relief; discontinue refunds or credits of water purchased for Blocks 4 and 5; and authorize increases to the Purchased Water Adjustment Charge.

This ordinance shall take effect upon its publication.”

SECTION 2. Title 13, Chapter 13.20, Section 13.20.025 of the Pasadena Municipal Code is hereby amended to read:

“13.20.025 Block Allocations

The water supplied by the water division is divided by volume into four allocation blocks as indicated in the table below:

Customer Group Served	Meter Size	Block Allocations (in Units of One Hundred Cubic Feet)			
		Block 1	Block 2	Block 3	Block 4
Residential – Small SF	5/8", 3/4"	0 – 8	9 - 24	25 - 34	35 >
Residential - MF					
Small Commercial					
Residential – Medium SF / Small MF	1"	0 – 12	13 – 40	41 – 60	61 >
Small Commercial / Institutional					
Residential – Large SF / Small MF	1 ½"	0 – 22	23 – 86	87 – 132	133 >
Small Commercial / Institutional					
Residential – Large SF/Small MF	2"	0 – 48	49 – 188	189 – 290	291 >
Medium Commercial / Institutional					
Residential – Large SF/Medium MF	3"	0 – 116	117 – 500	501 – 860	861 >
Medium Commercial / Institutional					
Residential – Large MF	4"	0 – 225	226 – 1,000	1,001 – 1,800	1,801 >
Medium Commercial / Institutional					
Residential – Large MF	6"	0 – 500	501 – 5,600	5,601 – 8,800	8,801 >
Large Commercial / Institutional					
Large Commercial / Institutional / Industrial	8"	0 – 500	501 – 5,600	5,601 – 10,000	10,001 >
Large Commercial / Institutional / Industrial					
Large Commercial / Institutional / Industrial	10" – 12"	0 – 500	501 – 24,000	24,001 – 32,000	32,001 >

Notes: SF- Single Family; MF – Multi-Family”

SECTION 3. Title 13, Chapter 13.20, Section 13.20.030, Subsections B and C, of the Pasadena Municipal Code are hereby amended to read:

“B. Commodity Rates. The commodity rates for all water delivered shall be:

	Commodity Rate (Per One Hundred Cubic Feet)			
	All First Block Water Delivered	All Second Block Water Delivered	All Third Block Water Delivered	All Fourth Block Water Delivered
Water delivered April 1st--September 30th:				
In Area A	\$0.91037	\$2.50351	\$3.00421	\$3.75526
In Area B	\$1.13796	\$3.12938	\$3.75526	\$4.69407
Water delivered October 1st--March 31st:				
In Area A	\$0.88385	\$2.43059	\$2.91671	\$3.64589

In Area B	\$1.10481	\$3.03823	\$3.64588	\$4.55735
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C. Block Rates Pricing Structure

The ratio between the block rates shall be subject to annual adjustments based on the department's projected five-year water supply costs. The department shall calculate the adjustments, if any, and recommend any new ratio between the block rates to City Council. Block 1 rates shall be priced to recover local water supply costs. Blocks 2 and 3 rates shall be priced to recover the first two tiers of imported water costs. Block 4 rates shall be priced to recover incremental costs of procuring additional imported water above the Block 3 consumption level and to fund water conservation programs."

SECTION 4. Title 13, Chapter 13.20, Section 13.20.120, of the Pasadena Municipal Code is hereby repealed.

SECTION 5. Title 13, Chapter 13.20, Section 13.20.125, of the Pasadena Municipal Code is hereby repealed.

SECTION 6. Ordinance No. _____ shall take effect upon its publication.

Signed and approved this _____ day of _____, 2010.

William J. Bogaard
Mayor

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held _____, 2010, by the following vote:

AYES:


NOES:

ABSENT:

ABSTAIN:

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM:


Scott D. Rasmussen
Assistant City Attorney