



Ordinance Fact Sheet

TO: CITY COUNCIL DATE: MAY 13, 2019
FROM: CITY ATTORNEY
SUBJECT: AMENDMENTS TO THE WATER RATE ORDINANCE

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA, CALIFORNIA AMENDING THE WATER RATE ORDINANCE, TITLE 13, CHAPTER 13.20 OF THE PASADENA MUNICIPAL CODE

PURPOSES OF THE ORDINANCE:

The purpose of this ordinance is to revise the Pasadena Municipal Code pursuant to City Council direction given on May 13, 2019.

REASONS WHY LEGISLATION IS NEEDED:

The recommended amendments to the Pasadena Municipal Code are necessary to implement the terms and conditions of a class-action settlement agreement, and to align with an internal water cost- of-service and rate design analysis that was completed in 2018.

The recommended adjustments to the water rates will: Eliminate the rate differentials in the Distribution and Customer ("D&C") Charge, Commodity Charge, and the Capital Improvement Charge ("CIC") for customers located outside the city limits; eliminate the winter and summer ("seasonal") rate differentials in the Commodity and CIC charges for all customers; increase the D&C Charge for all customers; and Increase the Commodity Charge.

MEETING OF 05/13/2019

AGENDA ITEM NO. 18

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

On May 13, 2019, the City Council found that the Ordinance, as proposed, is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines, Section Section 15273 (Rates, Tolls, Fares, and Charges).

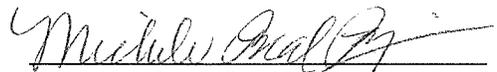
PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

Water customers of the Department of Water and Power will be impacted by this Ordinance.

FISCAL IMPACT:

If approved, the proposed increase to the D&C charge on August 1, 2019 will generate additional revenue of \$3.1 million in FY 2020 based on the partial year implementation. When implemented for a full year, annual revenue of \$3.4 million will be generated. In FY 2021, the second proposed increase to the D&C charge will generate additional annual revenue of \$3.7 million. Additionally, the proposed increase to the Commodity rate will generate added revenue of \$0.5 million in FY 2021. The action to eliminate the outside city rate differential and seasonal rates will not impact total revenue to the utility.

Respectfully submitted,


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Concurred by:


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