

Introduced by _____

ORDINANCE NO. _____

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

The People of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and the corresponding costs of publication, will 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 the Water Rate Ordinance, Title 13, Chapter 13.20 of the Pasadena Municipal Code as directed by the City Council on May 13, 2019, to eliminate the rate differential between Area A customers (located inside the City limits) and Area B customers (located outside the City limits) for Commodity rates, D&C Charges and the CIC Charge, consistent with an internal water cost-of-service and rate design analysis that was completed in 2018.

This ordinance shall take effect upon publication by title and summary."

SECTION 2. Title 13, Chapter 13.20, Section 13.20.020 of the Pasadena Municipal Code is hereby amended to read as follows:

"13.20.020 - Service—Areas designated.

- A. For the purpose of establishing ~~water rates~~ water rate service areas, the area served by the water division is divided into two classes, designated as Area A and Area B. Beginning Effective June 1, 2019, the rate differentials between Area A and Area B shall be identical.
- B. Area A shall include all of the area inside the city.
- C. Area B shall include all areas served by the water division outside the city."

SECTION 3. Title 13, Chapter 13.20, Section 13.20.030 of the Pasadena Municipal Code is hereby amended to read as follows:

“13.20.030 - Service charges and rates.

A. Distribution and Customer Charges. The monthly distribution and customer charges shall be as follows:

Customer Group Served	Meter Size	Distribution and Customer Charges	
		Area A	Area B
Residential—Small SF Residential—MF Small Commercial	5/8", 3/4"	\$17.13	\$21.41
Residential—Medium SF/Small MF Small Commercial/Institutional	1"	\$32.55	\$40.68
Residential—Large SF/Small MF Small Commercial/Institutional	1½"	\$65.73	\$82.17
Residential—Large SF/Small MF Medium Commercial/Institutional	2"	\$154.21	\$192.76
Residential—Large SF/Medium MF Medium Commercial/Institutional	3"	\$376.95	\$471.19
Residential—Large MF Medium Commercial/Institutional	4"	\$582.55	\$728.18
Residential—Large MF Large Commercial/Institutional	6"	\$890.95	\$1,113.69
Large Commercial/Institutional/ Industrial	8"	\$1,456.35	\$1,820.43
Large Commercial/Institutional/ Industrial	10"	\$1,895.40	\$2,369.26
Large Commercial/Institutional/	12"	\$2,141.53	\$2,676.92

Industrial		
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Effective June 1, 2019:

<u>Customer Group Served</u>	<u>Meter Size</u>	<u>Distribution and Customer Charges Area A and Area B</u>
<u>Residential—Small SF</u>	<u>5/8 " , 3/4"</u>	<u>\$17.60</u>
<u>Residential—MF</u>		
<u>Small Commercial</u>		
<u>Residential—Medium SF/Small MF</u>	<u>1"</u>	<u>\$33.44</u>
<u>Small Commercial/Institutional</u>		
<u>Residential—Large SF/Small MF</u>	<u>1 1/2"</u>	<u>\$68.64</u>
<u>Small Commercial/Institutional</u>		
<u>Residential—Large SF/Small MF</u>	<u>2"</u>	<u>\$158.42</u>
<u>Medium Commercial/Institutional</u>		
<u>Residential—Large SF/Medium MF</u>	<u>3"</u>	<u>\$387.26</u>
<u>Medium Commercial/Institutional</u>		
<u>Residential—Large MF</u>	<u>4"</u>	<u>\$594.93</u>
<u>Medium Commercial/Institutional</u>		
<u>Residential—Large MF</u>	<u>6"</u>	<u>\$918.77</u>
<u>Large Commercial/Institutional</u>		
<u>Large Commercial/Institutional/Industrial</u>	<u>8"</u>	<u>\$1,494.41</u>
<u>Large Commercial/Institutional/Industrial</u>		
<u>Large Commercial/Institutional/Industrial</u>	<u>10"</u>	<u>\$1,944.97</u>

Effective August 1, 2019:

<u>Customer</u>	<u>Meter</u>	<u>Distribution and Customer Charges Area A and Area B</u>

<u>Group Served</u>	<u>Size</u>	
<u>Residential—Small SF</u>		
<u>Residential—MF</u>	<u>5/8", 3/4"</u>	<u>\$20.79</u>
<u>Small Commercial</u>		
<u>Residential—Medium SF/Small MF</u>		
<u>Small Commercial/Institutional</u>	<u>1"</u>	<u>\$39.50</u>
<u>Residential—Large SF/Small MF</u>		
<u>Small Commercial/Institutional</u>	<u>1½"</u>	<u>\$81.08</u>
<u>Residential—Large SF/Small MF</u>		
<u>Medium Commercial/Institutional</u>	<u>2"</u>	<u>\$187.11</u>
<u>Residential—Large SF/Medium MF</u>		
<u>Medium Commercial/Institutional</u>	<u>3"</u>	<u>\$457.39</u>
<u>Residential—Large MF</u>		
<u>Medium Commercial/Institutional</u>	<u>4"</u>	<u>\$702.67</u>
<u>Residential—Large MF</u>		
<u>Large Commercial/Institutional</u>	<u>6"</u>	<u>\$1,085.17</u>
<u>Large Commercial/Institutional/ Industrial</u>	<u>8"</u>	<u>\$1,765.08</u>
<u>Large Commercial/Institutional/ Industrial</u>	<u>10"</u>	<u>\$2,297.34</u>

Effective July 1, 2020:

		<u>Distribution and Customer Charges Area A and Area B</u>
<u>Customer Group Served</u>	<u>Meter Size</u>	
<u>Residential—Small SF</u>		
<u>Residential—MF</u>	<u>5/8", 3/4"</u>	<u>\$24.28</u>
<u>Small Commercial</u>		
<u>Residential—Medium SF/Small MF</u>		
<u>Small Commercial/Institutional</u>	<u>1"</u>	<u>\$46.13</u>

<u>Residential—Large SF/Small MF</u> <u>Small Commercial/Institutional</u>	<u>1½"</u>	<u>\$94.69</u>
<u>Residential—Large SF/Small MF</u> <u>Medium Commercial/Institutional</u>	<u>2"</u>	<u>\$218.54</u>
<u>Residential—Large SF/Medium MF</u> <u>Medium Commercial/Institutional</u>	<u>3"</u>	<u>\$534.18</u>
<u>Residential—Large MF</u> <u>Medium Commercial/Institutional</u>	<u>4"</u>	<u>\$820.64</u>
<u>Residential—Large MF</u> <u>Large Commercial/Institutional</u>	<u>6"</u>	<u>\$1,267.37</u>
<u>Large Commercial/Institutional/</u> <u>Industrial</u>	<u>8"</u>	<u>\$2,061.45</u>
<u>Large Commercial/Institutional/</u> <u>Industrial</u>	<u>10"</u>	<u>\$2,683.01</u>

B. Commodity Rates. The commodity rates for all water delivered in Service Area A and Area B shall be:

	<u>Commodity Rate (Per One Hundred Cubic Feet)</u>			
	<u>All First Block</u> <u>Water Delivered</u>	<u>All Second Block</u> <u>Water Delivered</u>	<u>All Third Block</u> <u>Water Delivered</u>	<u>All Fourth Block</u> <u>Water Delivered</u>
	<u>Water delivered April 1st—September 30th:</u>			
In Area A	\$0.91037	\$2.50351	\$3.00421	\$3.75526
In Area B	\$1.13796	\$3.12938	\$3.75526	\$4.69407
	<u>Water delivered October 1st—March 31st:</u>			
In Area A	\$0.88385	\$2.43059	\$2.91671	\$3.64589
In Area B	\$1.10481	\$3.03823	\$3.64588	\$4.55735

Effective June 1, 2019:

	<u>Commodity Rate (Per One Hundred Cubic Feet)</u>			
	<u>All First Block</u> <u>Water Delivered</u>	<u>All Second Block</u> <u>Water Delivered</u>	<u>All Third Block</u> <u>Water Delivered</u>	<u>All Fourth Block</u> <u>Water Delivered</u>

	<u>Water delivered April 1st—September 30th:</u>			
<u>All Customers</u>	<u>\$1.42537</u>	<u>\$3.07344</u>	<u>\$3.60377</u>	<u>\$4.38395</u>
	<u>Water delivered October 1st—March 31st:</u>			

Effective August 1, 2019:

	<u>Commodity Rate (Per One Hundred Cubic Feet)</u>			
	<u>All First Block Water Delivered</u>	<u>All Second Block Water Delivered</u>	<u>All Third Block Water Delivered</u>	<u>All Fourth Block Water Delivered</u>
	<u>All Seasons</u>			
<u>All Customers</u>	<u>\$1.41199</u>	<u>\$3.03984</u>	<u>\$3.56962</u>	<u>\$4.33916</u>

Effective July 1, 2020:

	<u>Commodity Rate (Per One Hundred Cubic Feet)</u>			
	<u>All First Block Water Delivered</u>	<u>All Second Block Water Delivered</u>	<u>All Third Block Water Delivered</u>	<u>All Fourth Block Water Delivered</u>
	<u>All Seasons</u>			
<u>All Customers</u>	<u>\$1.44852</u>	<u>\$3.07637</u>	<u>\$3.60615</u>	<u>\$4.37569</u>

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. Block 2 and Block 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/or water conservation costs.

D. Special Provisions.

1. All water under this section is metered.
2. ~~Where water is delivered to land lying in both Area A and Area B, the rates are subject to adjustment based upon the use in each of the areas as determined by the water division. Reserved.~~

3. A charge set forth in the department's service regulations is made for each new account or customer originated account change. This charge is added to the first bill for service under the account.
4. Deposits. The general manager may require a deposit in reasonable amount to guarantee payment for water to be delivered subsequent to date of demand for such deposit. If customer fails to make such deposit after demand therefore, water service may be discontinued until such deposit in the amount required has been made."

SECTION 4. Title 13, Chapter 13.20, Section 13.20.035 of the Pasadena Municipal Code is hereby amended to read as follows:

“13.20.035 - Capital improvements charge.

- A. A capital improvements charge ("CIC") shall be added to water rates to recover the capital improvement costs of the water distribution system as provided in this section.
- B. CIC Amounts. The CIC rate for Service Area A and Area B shall be as follows and shall be subject to adjustment as provided in subsection C:

	CIC (per 100 cubic feet)
Water delivered April 1st—September 30th:	
—In Area A	\$ 0.62429
—In Area B	\$ 0.84274
Water delivered October 1st—March 31st:	
—In Area A	\$ 0.58896
—In Area B	\$ 0.79504

Effective June 1, 2019:

	CIC (per 100 cubic feet)
<u>Water delivered April 1st—September 30th:</u>	

<u>All Customers</u>	<u>\$ 1.03182</u>
<u>Water delivered</u> <u>October 1st—March 31st:</u>	
<u>All Customers</u>	<u>\$ 0.97304</u>

Effective August 1, 2019

	<u>CIC</u> <u>(per 100 cubic feet)</u>
<u>All Customers for All Seasons</u>	<u>\$ 1.00501</u>

- C. Adjustments to the CIC. Adjustments to the CIC shall be calculated by the department and shall take effect on the first of the month following city council's approval of the Water Fund Capital Improvements Program ("CIP"). The CIC shall be adjusted by the following calculation:

$$\text{CIC} = ((\text{FTR} \times \text{CE}) + \text{DS}) / \text{WS}$$

(expressed to the nearest \$0.00001 per hundred cubic feet)

Where: FTR ("Funding Target Ratio") = (A) / (A+B)

Where "A" is the five-year average annual cash required from current-year water rates to fund the CIP as projected by the department at the time the CIC calculation is made.

Where "B" is the five-year average annual revenue bond funds required to fund the CIP as projected by the department at the time the CIC calculation is made.

CE ("Capital Expenditure") is the five-year average annual water fund capital expenditure as projected by the department at the time the CIC calculation is made.

DS ("Debt Service") is the five-year average annual CIC-related debt service payment as projected by the department at the time the CIC calculation is made.

WS ("Water Sales") is the water system sales for the next twelve months stated in billing units, as projected by the department at the time the CIC calculation is made.

- D. CIC Account. A CIC account shall be maintained into which all CIC revenue bond funds, CIC revenues and interest earned shall be deposited. The CIC account shall be used solely for the purposes of paying CIC-related debt service, funding the water

fund CIP as approved by the city council, and the water fund transfer to the general fund.”

SECTION 5. Title 13, Chapter 13.20, Section 13.20.130 of the Pasadena Municipal Code is hereby amended to read as follows:

“13.20.130 - Service—Fire—Private.

A. The monthly rates for private fire service for private fire protection shall be at the following flat rates:

Size of Service Lateral (in inches)	Area A	Area B
	With or Without Detector Meter	With or Without Detector Meter
4	\$ 50.71	\$ 67.95
6	94.82	127.06
8	170.35	228.27
10	250.53	335.71

12	332.89	446.07

<u>Size of Service Lateral (in inches)</u>	<u>Area A and Area B</u>
	<u>With or Without Detector Meter</u>
<u>4</u>	<u>\$ 50.71</u>
<u>6</u>	<u>\$94.82</u>
<u>8</u>	<u>\$170.35</u>
<u>10</u>	<u>\$250.53</u>
<u>12</u>	<u>\$332.89</u>

- B. Service at the foregoing rates is for fire extinguishing purposes only and includes water for such purposes. If the department determines that water from a private fire service is used for other than fire extinguishing purposes, fire service may be discontinued or the department may install a fire flow meter at customer's expense and the service will be deemed a domestic service in all cases.
- C. No private fire service less than four inches in size shall be installed.
- D. Once instituted, fire service to any property may be terminated with written approval by the fire marshal.
- E. Charges for private fire protection service are the responsibility of the building owner."

SECTION 6. Title 13, Chapter 13.20, Section 13.20.145 of the Pasadena Municipal Code is hereby amended to read as follows:

"13.20.145 - Fire protection surcharge.

A fire protection surcharge shall be added to each monthly distribution and customer charge to reflect the cost of maintaining, repairing, installing and upgrading public fire hydrants utilized for fire protection purposes. The fire protection surcharge shall not apply to private fire protection service rendered in accordance with Section 13.20.130. The fire protection surcharge shall be as follows:

Size of Meter (in inches)	Fire Protection Surcharge	
	Area A	Area B
5/8 and 3/4	\$ 0.38	\$ 0.38
1	\$ 0.70	\$ 0.70
1 1/2	\$ 2.68	\$ 2.68
2	\$ 3.45	\$ 3.45
3	\$ 8.13	\$ 8.13
4	\$ 9.58	\$ 9.58
6	\$ 22.00	\$ 22.00
8	\$ 29.48	\$ 29.48
10	\$ 38.20	\$ 38.20
12	\$ 50.85	\$ 50.85

<u>Size of Meter (in inches)</u>	<u>Fire Protection Surcharge</u>
	<u>Area A and Area B For all customers</u>
<u>5/8 and 3/4</u>	<u>\$ 0.38</u>
<u>1</u>	<u>\$ 0.70</u>
<u>1 1/2</u>	<u>\$ 2.68</u>
<u>2</u>	<u>\$ 3.45</u>
<u>3</u>	<u>\$ 8.13</u>
<u>4</u>	<u>\$ 9.58</u>
<u>6</u>	<u>\$ 22.00</u>
<u>8</u>	<u>\$ 29.48</u>
<u>10</u>	<u>\$ 38.20</u>

“
SECTION 7. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

SECTION 8. This ordinance shall take effect upon its publication by title and summary.

Signed and approved this ___ day of May, 2019.

Terry Tornek
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council at its meeting held this ___ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Date Published:

Mark Jomsky, CMC
CITY CLERK

Approved as to form:



Lisa Hosey
Assistant City Attorney