

RESOLUTION NO. 3645

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COALINGA
APPROVING NEW WATER RATES EFFECTIVE JULY 1, 2014 TO ADDRESS
DROUGHT IMPACTS TO THE WATER FUND**

WHEREAS, Coalinga Municipal Code Section 6-4.20 provides for the establishment of water service rates by Resolution of the City Council; and

WHEREAS, the City Council of the City of Coalinga discussed Water Fund revenue impacts as a result of a 50% reduction in the Water Year 14-15 delivery schedule from the City's water supplier the U. S. Department of Interior Bureau of Reclamation to a historic and the lowest water delivery recorded at 3,258 acre-feet; and

WHEREAS, the City Council of the City of Coalinga enacted Stage 2 of 3 of its Water Conservation Ordinance in an attempt to curtail water use by water customers; and

WHEREAS, the most current water rate model prepared in 2011, the basis for current water rates, could not have contemplated such a low and historic water supply during Water Year 14-15, and therefore the current water rate model combined with ongoing drought conditions and conservation efforts will not generate sufficient revenue to cover Water Fund operating costs and debt coverage requirements without a water rate adjustment; and

WHEREAS, IGService, Inc. was employed to prepare a new Water Rate Study (Study) for the City, which analyzed the impacts of the drought and conservation, proposed a solution to City water rates to yield a revenue, based on anticipated water deliveries, sufficient to cover Water Fund operating costs and debt coverage requirements, and replace the existing water rate schedule adopted on January 19, 2012; and

WHEREAS, the City Council of the City of Coalinga discussed the Study alternatives on May 1, 2014, during which the rate alternatives presented in the Study were presented, debated, and comments were received from the public on the water rate alternatives; and

WHEREAS, the City Council of the City of Coalinga directed the City Manager to notify, via mail, the record owners of each parcel in accordance with the requirements of Proposition 218 and Government Code section 53750 et seq. of the proposed water rate adjustment; and

WHEREAS, a public hearing to consider the proposed new water rates and any protests to such rates was held at a public meeting on June 25, 2014 before the City Council of the City of Coalinga, which meeting and hearing was more than 45 days after the notice to property owners was mailed; and

WHEREAS, written protests to the proposed new water rates were not presented by a majority of the owners of the identified parcels in the City of Coalinga; and

WHEREAS, the proposed water rates set forth in Exhibit "A" attached hereto are nondiscriminatory and do not exceed the cost of providing water service and improvements to the water system (all as defined in section 6-4.01 of the Coalinga Municipal Code) for which the rates and charges are imposed; and

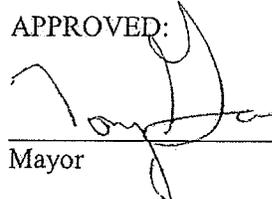
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Coalinga as follows:

1. The schedule of new water rates in Exhibit "A" attached hereto is hereby adopted, and the new water rates shall be effective on July 1, 2014.

The foregoing resolution was approved and adopted at a regular meeting of the City Council of the City of Coalinga held on the 25th day of June, 2014, by the following vote:

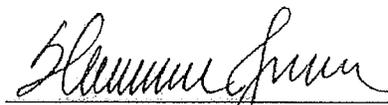
AYES: Lander, Oxborrow, Ramsey, Keough, Garcia
NOES: None
ABSTAIN: None
ABSENT: None

APPROVED:



Mayor

ATTEST:



City Clerk/Deputy City Clerk

Exhibit A

City of Coalinga Water Rates and Charges Effective and Proposed Rates					
	Historical	Historical (3%)	Existing (3%)	Proposed (9%)	
Volumetric Rates (\$/TG)	3/1/2012	3/1/2013	3/1/2014	7/1/2014	
Urban Residential					
Tier 1: Up to 10,000 gals/mo.	\$1.35	\$1.39	\$1.43	\$1.56	
Tier 2: 10,001 to 30,000 gals/mo.	\$1.65	\$1.70	\$1.75	\$1.91	
Tier 3: Above 30,000 gals/mo.	\$2.00	\$2.06	\$2.12	\$2.32	
Urban Commercial					
Urban Commercial	\$1.45	\$1.49	\$1.53	\$1.67	
Rural	\$1.41	\$1.45	\$1.49	\$1.63	
PVSP and CSH	\$1.76	\$1.81	\$1.86	\$2.03	
Fixed Monthly Charge: (\$/Mo.)					
Urban Residential and Commercial					
1" Meter Size	\$19.64	\$20.22	\$20.83	Fixed Monthly Charges Unchanged	
1.5"	\$78.50	\$80.86	\$83.29		
2"	\$297.22	\$306.14	\$315.32		
3"	\$667.38	\$687.40	\$708.02		
4"	\$1,186.68	\$1,222.28	\$1,258.95		
6"	\$2,671.68	\$2,751.83	\$2,834.38		
8"	\$4,750.02	\$4,892.52	\$5,039.30		
10"	\$5,276.96	\$5,435.27	\$5,598.33		
Rural					
1" Meter Size	\$27.14	\$27.96	\$28.80		
1.5"	\$108.66	\$111.92	\$115.28		
2"	\$488.92	\$503.58	\$518.69		
3"	\$1,099.76	\$1,132.75	\$1,166.73		
4"	\$1,954.48	\$2,013.12	\$2,073.51		
6"	\$4,400.26	\$4,532.26	\$4,668.23		
8"	\$7,822.68	\$8,057.36	\$8,299.08		
10"	\$8,691.74	\$8,952.49	\$9,221.06		
Pleasant Valley State Prison (PVSP)	\$9,200.00	\$9,476.00	\$9,760.28		
Coalinga State Hospital (CSH)	\$2,600.00	\$2,678.00	\$2,758.34		