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ORDINANCE NO. 1552

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AMENDING SECTION 13.04.220, SUBSECTIONS (A), (B), (C), AND (D) OF THE SAN CLEMENTE MUNICIPAL CODE RELATING TO WATER RATES.

WHEREAS, the City of San Clemente provides potable water to its citizens; and

WHEREAS, the costs of operating the City's potable water system have increased in recent years; and

WHEREAS, the City desires to ensure that the costs associated with the operation of the City's potable water system are recovered through the fees charged for the provision of that service; and

WHEREAS, the City Council hereby finds that the revised fee and rates set forth below do not exceed the estimated reasonable cost of providing services or facilities for which such fees and rates are imposed; and

WHEREAS, written notification was mailed to property owners and utility customers prior to April 21st, 2012 and published in the Sun Post News on May 26th, 2012.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Section 13.04.220, subsections (A), (B), and (C) of the San Clemente Municipal Code are hereby amended to read in their entirety as follows:

A **Fixed Rate.** Except as provided below, every customer to whom the City has issued a water meter shall pay a fixed rate based upon the size of the water meter. The fixed rate shall be as follows:

<u>METER SIZE</u>	<u>MONTHLY FIXED FEE</u>
5/8 in.	\$14.40
3/4 in.	\$14.40
1 in.	\$14.40
1-1/2 in.	\$32.36
2 in.	\$48.34
3 in.	\$93.95
4 in.	\$141.92
6 in.	\$272.32

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The fixed rate payment shall be waived for individually metered residential units whose residents are approved participants in the San Diego Gas and Electric Low Income Ratepayer Assistance Program.

B. Potable Water Consumption Rates. In addition to the fixed rate established in subsection A of this section above, every customer for which the City has issued a potable water meter shall also pay a monthly potable water consumption rate. The phrase "potable water consumption" shall mean all water which has passed through a City potable water meter. The potable water consumption rate shall be based upon the per unit cost of potable water consumed as multiplied by the quantity of potable water consumed. The unit cost of potable water shall be established in tiers based upon the quantity of potable water consumed and whether such water is consumed during the winter or summer water season. The winter water season (winter) shall begin with the commencement of the October billing cycle and terminate at the end of the March billing cycle. The summer water season (summer) shall begin with the commencement of the April billing cycle and terminate at the end of the September billing cycle. By way of example, if the fixed rate is fourteen dollars and forty cents (\$14.40) and the Tier One per unit winter cost two dollars and thirty-six cents (\$2.36) per unit while the Tier Two winter cost three dollars and eighty-six cents (\$3.86) per unit and the Tier Three winter cost eight dollars and thirty cents (\$8.30) per unit, a person in the single-family residential category 1 who uses twenty (20) units of water during the April billing cycle will have a water bill of eighty-two dollars and fifty-four cents (\$82.54) (\$14.40 [fixed rate] + \$21.24 [9 units x \$2.36 per unit] + \$38.60 [10 units x \$3.86 per unit] + \$8.30 [1 units x \$8.30 per unit]). The City potable water consumption rates are established as follows:

SINGLE FAMILY (RESIDENTIAL 1) (0 - 7,000 Square Foot Lot)	
Water Allocation	Cost Per Unit
Tier 1 - winter (0 - 9 units per month)	\$2.36 per unit
Tier 2 - winter (10 - 14 units per month)	\$3.86 per unit
Tier 3 - winter (15+ units per month)	\$8.30 per unit

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Tier 1 - summer (0 - 9 units per month)	\$2.36 per unit
Tier 2 - summer (10 - 19 units per month)	\$3.86 per unit
Tier 3 - summer (20+ units per month)	\$8.30 per unit

SINGLE FAMILY (Large Lot) (>7,000 Square Foot Lot)	
Water Allocation	Cost Per Unit
Tier 1 - winter (0 - 9 units per month)	\$2.36 per unit
Tier 2 - winter (10 - 19 units per month)	\$3.86 per unit
Tier 3 - winter (20+ units per month)	\$8.30 per unit
Tier 1 - summer (0 - 9 units per month)	\$2.36 per unit
Tier 2 - summer (10 - 28 units per month)	\$3.86 per unit
Tier 3 - summer (29+ units per month)	\$8.30 per unit

MULTIFAMILY RESIDENTIAL MASTER-METERED (Per Dwelling Unit Basis)	
Water Allocation	Cost Per Unit
Tier 1 - winter (0 - 6 units per month)	\$2.36 per unit
Tier 2 - winter (7 - 9 units per month)	\$3.86 per unit
Tier 3 - winter (10+ units per month)	\$8.30 per unit

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Tier 1 - summer (0 - 6 units per month)	\$2.36 per unit
Tier 2 - summer (7 - 10 units per month)	\$3.86 per unit
Tier 3 - summer (11+ units per month)	\$8.30 per unit

MULTIFAMILY RESIDENTIAL INDIVIDUALLY-METERED	
Water Allocation	Cost Per Unit
Tier 1 - winter (0 - 6 units per month)	\$2.36 per unit
Tier 2 - winter (7 - 9 units per month)	\$3.86 per unit
Tier 3 - winter (10+ units per month)	\$8.30 per unit
Tier 1 - summer (0 - 6 units per month)	\$2.36 per unit
Tier 2 - summer (7 - 11 units per month)	\$3.86 per unit
Tier 3 - summer (12+ units per month)	\$8.30 per unit

COMMERCIAL	
Water Allocation	Cost Per Unit
	\$3.31 per unit

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C. Irrigation Water Rates.

1. **Potable Irrigation Water.** In addition to the fixed rates established in subsection A of this section, every owner of property for which the City has issued a potable irrigation water meter connected to the potable water system shall also pay a monthly irrigation water consumption rate as hereby established. "Irrigation water consumption" shall mean all water which has flowed through a City irrigation water meter. The irrigation water consumption rate shall be based upon the per unit cost of water and the quantity of water consumed per one hundred (100) square feet of irrigated land. By way of example, a customer that is irrigating a one (1) acre site (forty-three thousand five hundred sixty (43,560) square feet with a one and one half (1½) inch irrigation meter and consumes one hundred fifty (150) units in a thirty (30) day summer period would be charged five hundred and fifty-one dollars and thirty-six cents(\$551.36) (40 units at \$2.36 per unit and 110 units at \$3.86 per unit plus a fixed rate of \$32.36). The City irrigation water consumption rates are established as follows:

Water Allocation	Cost Per Unit
Tier 1 - summer (0 - .0918 units per 100 square feet of irrigated land)	\$2.36 per unit
Tier 2 - summer (.0918 - .3673 units per 100 square feet of irrigated land)	\$3.86 per unit
Tier 3 - summer (over .3673 units per 100 square feet of irrigated land)	\$8.30 per unit
Tier 1 - winter (0 - .0463 units per 100 square feet of irrigated land)	\$2.36 per unit
Tier 2 - winter (.0463 - .1853 units per 100 square feet of irrigated land)	\$3.86 per unit
Tier 3 - winter (over .1853 units per 100 square feet of irrigated land)	\$8.30 per unit

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2. **Non-Potable Irrigation Water.** In addition to the fixed rates established in subsection A of this section, every owner of property for which the City has issued an irrigation water meter connected to the non-potable water system shall also pay a monthly non-potable irrigation water consumption rate as hereby established. "Non-potable irrigation water consumption" shall mean all water which has flowed through a City non-potable irrigation water meter. The non-potable irrigation water consumption rate shall be based upon the per unit cost of non-potable water as multiplied by the quantity of non-potable water consumed.

Non-Potable Irrigation	
Water Allocation	Cost Per Unit
	\$2.55 per unit

If any provision of this chapter is determined to be void or invalid by any administrative or judicial tribunal, said provision shall be deemed severable and such invalidation shall not invalidate the entirety of this chapter or any other provision thereof.

SECTION 2: Subsection D of Section 13.04.220 of the City of San Clemente Municipal Code entitled "Automatic Rate Adjustments," is hereby amended to read in its entirety as follows:

D. Annual Rate Review. In order to adjust for increased or decreased costs associated with the operation of the City's water system, the City establishes an annual rate review in the manner described below. For purposes of this section, the phrase "operating position" shall mean Water Operating Fund operating revenues minus Water Operating Fund operating expenses.

Each year, in conjunction with the City's Long Term Financial Planning process, the City shall forecast the operating position for the Water Operating Fund for a five-year period, based on known cost increases and estimates for unknown cost increases, using inflation factors derived from a credible third party economic forecasting source. Rate adjustments shall be recommended which achieve a neutral operating position over the forecast period.

SECTION 3. The City Clerk shall certify to the passage of this Ordinance and the same shall be noticed as required by law and shall take effect as provided by law.

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APPROVED AND ADOPTED this _____ day of _____, _____.

ATTEST:

City Clerk of the City of
San Clemente, California

Mayor of the City of San
Clemente, California

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF SAN CLEMENTE)

I, **JOANNE BAADE**, City Clerk of the City of San Clemente, California, hereby certify that Ordinance No. 1552 having been regularly introduced at the meeting of _____, was again introduced, the reading in full thereof unanimously waived, and duly passed and adopted at a regular meeting of the City Council held on the _____ day of _____, _____, and said ordinance was adopted by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this _____ day of _____, _____.

CITY CLERK of the City of
San Clemente, California

APPROVED AS TO FORM:

CITY ATTORNEY

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