

RESOLUTION NO. 2022-020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK ADOPTING FIVE-YEAR WATER RATE SCHEDULE AND TEMPORARY WATER SHORTAGE SURCHARGE STRUCTURE

WHEREAS, the Reed Group, Inc./Hildebrand Consulting prepared the 2021 Water Rate Study that outlines the need and basis for an adjustment to existing water rates in order to continue to maintain and operate the City's water utility; and

WHEREAS, findings from the 2021 Water Rate Study were presented to the City council on October 26, 2021 and City council accepted the water rate study report on November 23, 2021, directing staff to proceed with the rate adjustment process for the proposed rates, including notifying property owners and conducting a public hearing prior to final adoption; and

WHEREAS, the Proposition 218 Omnibus Act (as set forth in Government Code section 53756 and 53756) authorizes that the City to adopt a five-year schedule of water rates with automatic rate adjustments in order to keep pace with changes in operating and maintenance costs, and help the utility maintain a prudent operating and capital reserve; and

WHEREAS, in compliance with article XIID of the California Constitution and the Proposition 218 Omnibus Act, the City of Rohnert Park (City) must notify all affected property owners of a public hearing on the proposed water rate increases; and

WHEREAS, the City notified property owners and rate payers of the proposed rates with a Public Notice on December 16, 2021; and

WHEREAS, Section 13.44.030 of the Rohnert Park Municipal Code provides that the City Council shall by resolution establish water rates; and

WHEREAS, the City has identified the parcels upon which the charges will be imposed, and mailed written notice to all parcels, wherein the City provided notice of the proposed charges, the amount of the proposed charges, the basis for the calculation, the reason for the charge, and the date, time, and location for a public hearing on the proposed charges not less than 45 days after the notice; and

WHEREAS, the City Council held the duly noticed public hearing and considered all written protests; and

WHEREAS, written protests against the water rates were not presented by a majority of affected property owners and ratepayers;

NOW, THEREFORE, the City Council of the City of Rohnert Park does hereby resolve as follows:

Section 1. Findings. The above recitals are incorporated herein as if set forth herein in full and each is relied upon independently by the City Council for its adoption of this Resolution. In accordance with Article XIII D, Section 6(b), of the California Constitution, and in reliance on the 2021 Water Rate Study previously adopted and approved by the City Council and the materials presented by staff, the City Council finds that:

1. The revenues derived from the water service charges shall not exceed the funds required to provide water service, because the rates are calculated to allow the City to recover its costs.
2. The revenues derived from the water service charge will not be used for any purpose other than that for which the charge is imposed, because the revenue will be kept in a separate fund used only for costs related to the provision of water service.
3. The amount of the charge does not exceed the proportional cost of the water service attributable to each parcel, because it is based upon necessary pipe size and water consumption.
4. The water service charge will not be imposed upon parcels for which water service is not immediately available.
5. The water service charge will be used to enable the City to provide water service rather than general governmental services.


Section 2. Adoption. Pursuant to Government Code section 53756, the five year schedule of water rates and temporary water rate surcharge structure set forth in Exhibit A is hereby adopted, and such rates and charges shall be effective March 1, 2021.

Section 3. Environmental Review. This action is not a project within the meaning of Section 15378 of the CEQA (California Environmental Quality Act) Guidelines, because it has no potential for resulting in physical change in the environment, directly or ultimately. In the event that this resolution is found to be a project under CEQA, this action is statutorily exempt from CEQA pursuant to Public Resources Section 21080(b)(8) and CEQA exemptions contained in CEQA Guidelines section 15273 (a), because it constitutes the establishment of charges for the purpose of obtaining funds to meet the water utility's financial and service obligations for ongoing operation and maintenance, debt service, and capital improvements within existing service areas, and also exempt under the common-sense exemption set forth in CEQA Guidelines section 15061 (b) (3), because it can be seen with certainty to have no possibility of a significant effect on the environment.

Section 4. Severability. The City Council hereby declares that every section, paragraph, sentence, clause and phrase is severable. If any section, paragraph, sentence, clause or phrase of this Resolution, including any individual rate or fee or component thereof, is for any reason found to be invalid or unconstitutional, such invalidity, or unconstitutionality shall not affect the validity or constitutionality of the remaining provisions of this Resolution.

DULY AND REGULARLY ADOPTED this 8th day of February, 2022.

CITY OF ROHNERT PARK



Jackie Elward, Mayor

ATTEST:



Sylvia Lopez Cuevas, City Clerk



Attachments:

1. Exhibit A: City of Rohnert Park Water Rates, effective March 1, 2022

GIUDICE: Aye HOLLINGSWORTH-ADAMS: Aye STAFFORD: Aye LINARES: Aye ELWARD: Aye
AYES: (5) NOES: (0) ABSENT: (0) ABSTAIN: (0)

Exhibit A

City of Rohnert Park Water Rates, effective March 1, 2022

Table 1 – 5-Year Water Rate Schedule

		Proposed				
		March 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025	January 1, 2026
Rate Revenue Increases:		5.0%	5.0%	5.0%	5.0%	5.0%
Current						
Single Family Usage Rate (\$/gal.)						
Tier 1 ¹	\$0.003420	\$0.003570	\$0.003749	\$0.003936	\$0.004133	\$0.004340
Tier 2	\$0.004630	\$0.004940	\$0.005187	\$0.005446	\$0.005718	\$0.006004
Multi-Family and Non-Residential Usage Rate (\$/gal.)						
Uniform Rate	\$0.003980	\$0.004330	\$0.004547	\$0.004774	\$0.005013	\$0.005264
Fixed Monthly Service Charges						
Up to 1"	\$29.13	\$29.63	\$31.11	\$32.67	\$34.30	\$36.02
1.5"	\$54.63	\$55.28	\$58.04	\$60.94	\$63.99	\$67.19
2"	\$85.21	\$86.06	\$90.36	\$94.88	\$99.62	\$104.60
3"	\$156.55	\$157.87	\$165.76	\$174.05	\$182.75	\$191.89
4"	\$258.48	\$260.47	\$273.49	\$287.16	\$301.52	\$316.60
6"	\$513.33	\$516.96	\$542.81	\$569.95	\$598.45	\$628.37
8"	\$819.14	\$824.75	\$865.99	\$909.29	\$954.75	\$1,002.49

¹ For the first 3,000 gallons per month

Table 2 – Temporary Water Shortage Surcharge Structure

	Normal Supply	Stage 1 Voluntary	Stage 2 Mandatory	Stage 3 Mandatory	Stage 4 Mandatory	Stage 5 Mandatory	Stage 6 Mandatory
Assumed Demand Reduction-->	None	5%	15%	25%	35%	45%	50%
Water Shortage Surcharge ¹ -->	None	None	5%	10%	15%	20%	

Water Usage Rate with Surcharge Applied (\$/gallon)²

Single Family Residential							
Tier 1 (0 to 3,000 gal/mo)	\$0.00357	\$0.00357	\$0.00357	\$0.00375	\$0.00393	\$0.00411	\$0.00428
Tier 2 (above 3,000 gal/mo)	\$0.00494	\$0.00494	\$0.00494	\$0.00519	\$0.00543	\$0.00568	\$0.00593
Multi-Family and Non-Residential							
All Water Usage	\$0.00433	\$0.00433	\$0.00433	\$0.00455	\$0.00476	\$0.00498	\$0.00520
Hydrant Meters							
Construction Water	\$0.00796	\$0.00796	\$0.00796	\$0.00836	\$0.00876	\$0.00915	\$0.00955
Fixed Monthly Charge ³							
Service Charge	Varies	----- No changes to the service charge -----					

Notes:

¹ Temporary water shortage surcharges are incremental increases in the normal water usage rates applied during periods of water shortage, declared by the City Council.

² This table shows the temporary water shortage surcharges applied to the proposed rate increases (for March 2022) for illustrative purposes. The percentages shown in this table would be applied to any then-current rates in future years.

³ No changes to the fixed monthly services charges would be imposed as a result of declared water shortages.