

CERTIFIED COPY

RESOLUTION NO. 5858(13)

**A Resolution of the Council of the City of Lompoc,
County of Santa Barbara, State of California,
Establishing Increased Wastewater Rates and Charges**

WHEREAS, in accordance with California Government Code Section 54344, the City Council has the authority to establish fees and charges for the City's Wastewater System;

WHEREAS, the City of Lompoc recently retained the services of Willdan Financial Services (Willdan), who prepared a Wastewater Rate Study of the Lompoc Regional Wastewater Treatment Plant (LRWTP) to ensure its future compliance with permit standards and other applicable regulatory requirements;

WHEREAS, the study prepared by Willdan included analyses of rate increases necessary to support the future operations of the LRWTP and to fund the debt service of the financing of the required upgrades to the LRWTP;

WHEREAS, after review of relevant financial data, the Management Services Director and his staff have determined existing Wastewater System rates and charges presently generate insufficient revenue to both meet bond covenants and loan obligations, while maintaining prudent operation of the System for the adequate health, safety, and sanitation of the public;

WHEREAS, staff has proposed certain changes to the City's current Wastewater System rates and charges and has given notice of the proposed new rates as required by law;

WHEREAS, Willdan's study supports the rate increases set forth in this Resolution;

WHEREAS, a notice of the public hearing of the proposed changes to the Wastewater System rates and charges was mailed to each rate payer not less than 45 days prior to the public hearing, in compliance with Section 6 of Article XIII-D of the Constitution of the State of California;

WHEREAS, a duly noticed public hearing on these proposed rate increases was held before the City Council on August 6, 2013;

WHEREAS, on August 6, 2013, the City Clerk advised the Council 2136 written protests of the proposal were received prior to the hearing;

WHEREAS, on August 6, 2013, the City Council received 26 written rate increase protests that were submitted at the time of the public hearing;

WHEREAS, the number of written protests timely received is insufficient to constitute a majority protest of the proposed rates and charges; and

WHEREAS, after hearing public testimony and staff's report and recommendations, the City Council has determined certain rates and charges for the City's Wastewater System should be revised and amended.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1: FINDINGS. After hearing testimony, considering the evidence offered, and duly deliberating on the matters presented, the Council of the City of Lompoc finds and determines:

- A. Pursuant to the authority of the Revenue Bond Law of 1941 (Government Code Sections 54300-54700) and of Lompoc Municipal Code Chapter 13.16, the City of Lompoc operates and maintains systems and facilities for the collection, treatment, and disposal of sewage and wastewater;
- B. The City Council is empowered to prescribe, revise, and collect charges for the services and facilities furnished by the City's Wastewater System ("the System");
- C. The proceedings related to the proposed increases in wastewater rates and charges have been duly noticed in compliance with the Constitution of the State of California, Government Code Section 54354.5, and other applicable laws;
- D. The rates and charges set forth below are not discriminatory;
- E. The rates and charges set forth below are not excessive, inasmuch as revenues from said rates and charges will not exceed the costs of providing wastewater services;
- F. The revenue generated by the rates and charges set forth below will be sufficient to pay the current expenses of maintenance and operation of the Wastewater System, to honor other City obligations dependent upon system revenues, and to otherwise allow the City to comply with Government Code Section 54515 and other applicable laws and regulations; and
- G. The rates and charges set forth below, and the manner of their adoption, comply with the provisions of the Revenue Bond Act of 1941 and the provisions of other applicable laws and regulations and relevant authority.

SECTION 2: WASTEWATER SERVICE RATES AND CHARGES. Based upon the foregoing findings and all written and oral reports, data and testimony provided to the City Council, the City Council hereby approves the monthly rates and charges set forth below per unit (one unit equals one hundred cubic feet (HCF)):

	<u>Effective 9/5/2013</u>	<u>Effective 7/1/2014</u>	<u>Effective 7/1/2015</u>	<u>Effective 7/1/2016</u>	<u>Effective 7/1/2017</u>
Rate per average water unit HCF * :					
Average Residential / Office Only ⁽¹⁾	\$ 6.22	\$ 6.87	\$ 7.60	\$ 8.40	\$ 9.28
Average Commercial ⁽²⁾	8.35	9.23	10.20	11.27	12.45
Average Industrial ⁽³⁾	8.78	9.70	10.72	11.84	13.09
Minimum charge - Residential	31.10	34.35	38.00	42.00	46.40
Minimum charge - Commercial	41.75	46.15	51.00	56.35	62.25
Minimum charge - Industrial	43.90	48.50	53.60	59.20	65.45

⁽¹⁾Customer class includes, but is not limited to, the following land use types: residential, professional offices, department stores, banks, nurseries, churches, lumber yards, wine tasting rooms, etc.

⁽²⁾Customer class includes, but is not limited to, the following land use types: auto steam cleaning, bakery-wholesale, wine bottling, medical offices, convalescent care facilities, restaurants, schools, light manufacturing, etc.

⁽³⁾Customer class includes, but is not limited to, the following land use types: industrial, specialty shop, gas station, water conditioning, wine/food processing, etc.

* Minimum charge is based on five units.

- * The rates and charges for wastewater services to customers located outside the City limits are 1.5 times the rates set forth above.
- * With the exception of industrial classification customers, new utility customers occupying a new or existing building, office space, or residence, will be billed at the average three-month consumption rate for their particular business or residential classification (the "New Billing Assignment"), until they have accumulated six years of water consumption history, at which time the new accounts will switch to the billing consumption method described in the paragraph below titled Consumption Method. If the new customer disagrees with the New Billing Assignment, then that customer may appeal the New Billing Assignment to the Utility Billing Supervisor, whose decision will be final.

In June of each year, the data collection system will take the average water consumption from the previous months of January, February and March on all non-irrigation water meters (excluding parks, irrigation, and cemetery meters). That average consumption, measured in hundred cubic feet (HCF), will become the average number of water units being processed by the Regional Wastewater Treatment Plant. For example, a single-family residential unit uses, on average, eight HCF of water units during January, February, and March. Because those three months are also in the rainy season, it is assumed there is little or no outside irrigation and all the water units used within the household flows to the Wastewater Treatment Plant for processing. Eight HCF of water becomes the monthly wastewater billing quantity used in charging the customer for the next fiscal year, beginning in July.

Consumption Method. The data collection system will collect the previous six-year consumption data for each residential and commercial classification customer for January, February and March of each year for those customers with related water service. The system then will remove the single highest and lowest consumption period from the calculation, and calculate the average water consumption for the remaining four-year period. This six-year average water consumption, disregarding the high and low years, will become that customer's wastewater billing quantity for the next fiscal year, beginning in July.

The Consumption Method will reduce the volatility in customer payments and Wastewater revenue during periods of heavy rainfall or drought during the winter months.

School facilities and certain municipal facilities (for example, parks and libraries) use approximately 17 percent of water for irrigation purposes during the months of January, February, and March. Therefore, 83 percent of their monthly average water consumption will be used for their wastewater consumption using the Consumption Method.

The Consumption Method for industrial classifications shall be an average based on actual water consumption usage throughout the entire year.

Non-Consumption Method. For those customers without a related water service, the system average unit of water consumption will be used as the basis for the charges discounted 17 percent. Therefore, 83 percent of the system average water consumption will be used for their wastewater billing quantity. The system average water consumption is currently eight units (83 percent of eight units is seven units). The Consumption Method will be used to determine the system average in each future year. **If a new customer disagrees with the use of the Consumption Method, then that new customer may appeal that determination to the Utility Billing Supervisor, whose decision will be final.**

SECTION 3: NON-RESIDENTIAL WASTEWATER ADDITIONAL METERING METHODS. Because of the different water usage practices of non-residential water users, the ratio between discharge to the Wastewater System and the amount of metered water received can vary greatly from user to user. Non-residential users, therefore, upon request to the City, will be permitted to have the amount of water being discharged to the sewer determined by the Special Method as described below. If a customer chooses to employ the Special Method, then that user will be billed based upon actual water discharged to the Wastewater System and not on the average water consumption for the months of January, February, and March.

Special Method. The City will install and maintain, at the user's expense, a water meter for sub-metering the water use, which does not result in a discharge to the public Wastewater System. The property owner will, at his or her expense, do any necessary plumbing, subject to City inspection, to segregate the types of water use and provide for the meter to be located adjacent to the primary water meter and within the public right-of-way.

SECTION 4: COLLECTION. The City Council hereby directs the rates and charges established by this Resolution shall be billed and collected together with charges for other utility services rendered by the City of Lompoc.

SECTION 5: ENFORCEMENT. In the enforcement of the collection of the rates and charges established herein, the City of Lompoc may use any available remedy at law or in equity; provided, however, that said rates and charges shall not be collected by means of the Santa Barbara County Assessor's roll of real property taxes, nor shall any delinquent rates or charges be enforced by means of a lien on real property.

SECTION 6. REGULATIONS.

- A. All wastewater charges are due and payable upon City's presentation of the statement therefore, and shall become delinquent 15 days thereafter.
- B. All wastewater charges shall be collected by the City Treasurer, and the City's Finance Officer shall keep and maintain true and correct books of account of all receipts and disbursements of the Water Division of the City of Lompoc.


SECTION 7: EFFECTIVE DATE. This Resolution is effective upon its adoption. Except as amended herein, all rates or charges related to the City's Wastewater System as contained in Resolution Nos. 4939(01), 5104(03), 5219(04) and 5363(06) shall remain in full force and effect.

The foregoing Resolution was proposed by Mayor John Linn, seconded by Council Member Holmdahl, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on August 6, 2013, by the following vote:

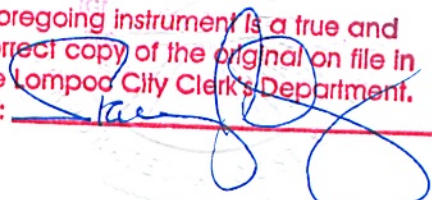
- AYES: Council Member(s): DeWayne Holmdahl, Ashley Costa, Bob Lingl, and Mayor John Linn.
- NOES: Council Member(s): Dirk Starbuck
- ABSENT: Council Member(s): None



 John H. Linn, Mayor
 City of Lompoc

ATTEST:


 Stacey Alvarez, City Clerk
 City of Lompoc

I HEREBY CERTIFY THAT THE
 foregoing instrument is a true and
 correct copy of the original on file in
 the Lompoc City Clerk's Department.
 ATTEST: 

the Government of the State of Tennessee
Department of Transportation
Nashville, Tennessee

