

ATTACHMENT A

RESOLUTION NO. 2020-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, ESTABLISHING AND CORRECTING FIRE PROTECTION SERVICE WATER RATES AND CHARGES FOR THE 1-INCH, 1 1/2-INCH AND 2-INCH METER, ADOPTING THE WATER RATES AND CHARGES FOR THE 2 1/2-INCH METER WITH PHASED IN INCREASES AND REMOVING THE WATER RATES AND CHARGES FOR THE 3/4-INCH METER

WHEREAS, on March 12, 2019, the City of Newport Beach ("City") retained Raftelis Financial Consultants, Inc., ("Raftelis") to conduct a Water Rate Study ("Study") to analyze the current cost of providing water services to property owners and customers, develop a ten-year financial plan and recommend an appropriate rate structure and water charges;

WHEREAS, on August 13, 2019, the City's Utilities Department ("Utilities") and Raftelis presented a draft of the Study's findings and recommendations during a City Council study session;

WHEREAS, on September 24, 2019, Utilities and Raftelis presented the final Study for City Council approval and requested City Council set a public hearing and authorize mailing of 27,000 notices to property owners and water customers, respectively, to inform them of the proposed water rates and to open the 45-day notice period in accordance with Proposition 218 ("Proposition 218 Notice") which was mailed on October 1, 2019;

WHEREAS, on November 19, 2019, following a public hearing held in conformity with Proposition 218, the City Council determined that no majority protest against the proposed new water rates and charges existed and adopted Resolution No. 2019-103 approving the updated water rates and charges, however, the Fire Protection Service water rates and charges for the 1-inch, 1 1/2-inch and 2-inch meters were incorrect, the Fire Protection Service water rate and charge for the 2 1/2-inch meter was inadvertently omitted and the 3/4-inch meter was inadvertently included;

WHEREAS, additionally on November 19, 2019, the City Council conducted a second reading and adopted Ordinance No. 2019-16 amending Chapter 14.12 (Water Rates and Charges) of the Newport Beach Municipal Code to set water rates and charges by resolution of the City Council; and

WHEREAS, the Fire Protection Service water rates and charges for the ¾-inch, 1-inch, 1 ½-inch, and 2-inch meters must be corrected and the 2 ½-inch meter must be added to the water rates and charges adopted via Resolution No. 2019-103.

NOW, THEREFORE, the City Council of the City of Newport Beach resolves as follows:

Section 1: The City Council does hereby adopt the Fire Protection Service water rates and charges for the 1-inch, 1 ½-inch, 2-inch and 2 ½-inch meters and removes the water rates and charges for the ¾-inch meter with all correct water rates and charges, including those correctly adopted via Resolution No. 2019-103, set forth in Exhibit "A." The Fire Protection Service water rates and charges, provided herein, were included in the Proposition 218 Notice and no majority protest against these proposed new water rates and charges existed. The City Council directs staff to include these water rates and charges and phased-in increases thereto adopted by the City Council into the City's Schedule of Rents, Fines and Fees, or other successor document thereto as amended from time to time.

Section 2: The recitals provided in this resolution are true and correct and are incorporated into the operative part of this resolution.

Section 3: If any section, subsection, sentence, clause or phrase of this resolution is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution. The City Council hereby declares that it would have passed this resolution, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 4: The City Council finds the adoption of this resolution is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines as set forth in California Code of Regulations, Title 14, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 5: This resolution shall take effect immediately and the City Clerk shall certify the vote adopting this resolution.

ADOPTED this 11th day of February 2020.

Will O'Neill
Mayor

ATTEST:

Leilani I. Brown
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE



5/2 Aaron C. Harp
City Attorney

Attachment(s): Exhibit A –Water Rates and Charges

EXHIBIT A

| Table 1: Water Services | | Effective | Effective | Effective | Effective | Effective |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Meter Size (Inch) | Current Rates | JAN 1, 2020 | JAN 1, 2021 | JAN 1, 2022 | JAN 1, 2023 | JAN 1, 2024 |
| 5/8th | \$17.27 | \$20.35 | \$21.86 | \$23.48 | \$25.22 | \$27.09 |
| 3/4th | \$17.27 | \$20.35 | \$21.86 | \$23.48 | \$25.22 | \$27.09 |
| 1 | \$28.79 | \$31.54 | \$33.88 | \$36.39 | \$39.09 | \$41.99 |
| 1 1/2 | \$57.58 | \$59.47 | \$63.88 | \$68.61 | \$73.69 | \$79.15 |
| 2 | \$92.12 | \$93.00 | \$99.89 | \$107.29 | \$115.23 | \$123.76 |
| 3 | \$172.73 | \$246.68 | \$264.94 | \$284.55 | \$305.61 | \$328.23 |
| 4 | \$287.88 | \$422.71 | \$454.00 | \$487.60 | \$523.69 | \$562.45 |
| 6 | \$575.76 | \$897.73 | \$964.17 | \$1,035.52 | \$1,112.15 | \$1,194.45 |
| 8 | \$921.22 | \$1,568.33 | \$1,684.39 | \$1,809.04 | \$1,942.91 | \$2,086.69 |
| 10 | \$1,655.90 | \$2,350.70 | \$2,524.66 | \$2,711.49 | \$2,912.15 | \$3,127.65 |
| 12 | \$2,663.48 | \$2,965.44 | \$3,184.89 | \$3,420.58 | \$3,673.71 | \$3,945.57 |
| | | | | | | |
| Per Dwelling Unit Charge | \$1.00 | N/A | N/A | N/A | N/A | N/A |
| Usage Charges Potable Water | \$3.08 | \$3.11 | \$3.35 | \$3.60 | \$3.87 | \$4.16 |

| Table 2: Fire Protection Services | | Effective | Effective | Effective | Effective | Effective |
|--|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Meter Size (Inch) | Current Rates | JAN 1, 2020 | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
| 5/8th | \$3.13 | \$10.41 | \$11.19 | \$12.02 | \$12.91 | \$13.87 |
| 1 | \$5.00 | \$10.59 | \$11.38 | \$12.23 | \$13.14 | \$14.12 |
| 1 1/2 | \$7.50 | \$11.07 | \$11.89 | \$12.77 | \$13.72 | \$14.74 |
| 2 | \$10.00 | \$11.87 | \$12.75 | \$13.70 | \$14.72 | \$15.81 |
| 2 1/2 | \$12.50 | \$13.09 | \$14.06 | \$15.11 | \$16.23 | \$17.44 |
| 3 | \$15.00 | \$14.76 | \$15.86 | \$17.04 | \$18.31 | \$19.67 |
| 4 | \$20.00 | \$19.78 | \$21.25 | \$22.83 | \$24.52 | \$26.34 |
| 6 | \$30.00 | \$37.72 | \$40.52 | \$43.52 | \$46.75 | \$50.21 |
| 8 | \$40.00 | \$68.70 | \$73.79 | \$79.26 | \$85.13 | \$91.43 |
| 10 | \$50.00 | \$115.28 | \$123.82 | \$132.99 | \$142.84 | \$153.42 |
| 12 | \$60.00 | \$179.85 | \$193.16 | \$207.46 | \$222.82 | \$239.31 |

| Table 3: Recycled Water (RW) Rates | | Effective | Effective | Effective | Effective | Effective |
|---|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Meter Size (Inch) | Current Rates | JAN 1, 2020 | JAN 1, 2021 | JAN 1, 2022 | JAN 1, 2023 | JAN 1, 2024 |
| 5/8th | \$20.47 | \$10.34 | \$11.11 | \$11.94 | \$12.83 | \$13.78 |
| 3/4th | \$20.47 | \$10.34 | \$11.11 | \$11.94 | \$12.83 | \$13.78 |
| 1 | \$34.13 | \$14.85 | \$15.95 | \$17.14 | \$18.41 | \$19.78 |
| 1 1/2 | \$68.25 | \$26.10 | \$28.04 | \$30.12 | \$32.35 | \$34.75 |
| 2 | \$109.19 | \$39.61 | \$42.55 | \$45.70 | \$49.09 | \$52.73 |
| 3 | \$204.75 | \$101.54 | \$109.06 | \$117.14 | \$125.81 | \$135.12 |
| 4 | \$341.24 | \$172.47 | \$185.24 | \$198.95 | \$213.68 | \$229.50 |
| 6 | \$682.48 | \$363.88 | \$390.81 | \$419.73 | \$450.80 | \$484.16 |
| 8 | \$1,091.97 | \$634.09 | \$681.02 | \$731.42 | \$785.55 | \$843.69 |
| | | | | | | |
| RW Usage Charge | \$1.92 | \$2.05 | \$2.12 | \$2.13 | \$2.21 | \$2.29 |
| Pump Station Charge | \$0.39 | \$0.53 | \$0.57 | \$0.62 | \$0.67 | \$0.72 |