

**Exhibit A  
(APPROVED WATER AND SEWER RATES)**

**Proposed Sewer Rates**

Type of Charge	Monthly Service Charge					
	Current	10/13/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018
Residential Charge Per EDU	\$23.46	\$30.50	\$39.04	\$49.97	\$51.18	\$52.43
Other Commercial Per HCF	\$1.29	\$1.68	\$2.15	\$2.75	\$2.81	\$2.88
Restaurants Per HCF	\$1.85	\$2.41	\$3.08	\$3.94	\$4.04	\$4.13
Transient Residential Occupancy Per HCF	\$2.50	-	-	-	-	-
Prison Charge Per Bed Capacity	-	\$12.45	\$15.94	\$20.40	\$20.90	\$21.41
Prison Charge Per HCF	-	\$0.87	\$1.11	\$1.43	\$1.46	\$1.50
From Sewage Truck per 100 Gallons	\$0.80	\$1.04	\$1.33	\$1.70	\$1.75	\$1.79

**Proposed Water Rates**

Meter Size	Monthly Meter Charges					
	Current	10/13/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018
3/4" or smaller	\$23.62	\$37.79	\$44.22	\$51.73	\$52.99	\$54.28
1"	\$39.45	\$63.12	\$73.85	\$86.40	\$88.50	\$90.66
1.5"	\$78.65	\$125.84	\$147.23	\$172.26	\$176.45	\$180.74
2"	\$125.89	\$201.42	\$235.67	\$275.73	\$282.43	\$289.29
3"	\$275.65	\$441.04	\$516.02	\$603.74	\$618.41	\$633.44
4"	\$496.02	\$793.63	\$928.55	\$1,086.40	\$1,112.80	\$1,139.84
6"	\$1,102.30	\$1,763.68	\$2,063.51	\$2,414.30	\$2,472.97	\$2,533.06
8"	\$1,889.60	\$3,023.36	\$3,537.33	\$4,138.68	\$4,239.25	\$4,342.26

Tiers	Monthly Usage Charges Per HCF					
	Current	10/13/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018
Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2	\$0.55	\$0.88	\$1.03	\$1.20	\$1.23	\$1.26
Tier 3	\$1.15	\$1.84	\$2.15	\$2.52	\$2.58	\$2.64
Tier 4	\$1.45	\$2.32	\$2.71	\$3.18	\$3.25	\$3.33
Tier 5	\$1.75	\$2.80	\$3.28	\$3.83	\$3.93	\$4.02

Tier Breakpoints by Meter Size (CF)							
<b>3/4" or smaller</b>		<b>1.5"</b>		<b>3"</b>		<b>6"</b>	
Tier 1	0 to 900	Tier 1	0 to 2,997	Tier 1	0 to 10,503	Tier 1	0 to 42,003
Tier 2	900 to 1,500	Tier 2	2,997 to 4,995	Tier 2	10,503 to 17,505	Tier 2	42,003 to 70,005
Tier 3	1,500 to 2,500	Tier 3	4,995 to 8,325	Tier 3	17,505 to 29,175	Tier 3	70,005 to 116,675
Tier 4	2,500 to 4,000	Tier 4	8,325 to 13,320	Tier 4	29,175 to 46,680	Tier 4	116,675 to 186,680
Tier 5	4,000+	Tier 5	13,320+	Tier 5	46,680+	Tier 5	186,680+
<b>1"</b>		<b>2"</b>		<b>4"</b>		<b>8"</b>	
Tier 1	0 to 1,503	Tier 1	0 to 4,797	Tier 1	0 to 18,900	Tier 1	0 to 72,000
Tier 2	1,503 to 2,505	Tier 2	4,797 to 7,995	Tier 2	18,900 to 31,500	Tier 2	72,000 to 120,000
Tier 3	2,505 to 4,175	Tier 3	7,995 to 13,325	Tier 3	31,500 to 52,500	Tier 3	120,000 to 200,000
Tier 4	4,175 to 6,680	Tier 4	13,325 to 21,320	Tier 4	52,500 to 84,000	Tier 4	200,000 to 320,000
Tier 5	6,680+	Tier 5	21,320+	Tier 5	84,000+	Tier 5	320,000+

**Water Impact Fees**

Meter Size	Meter Equivalents	Fee
3/4 inch	1.00	\$989
1 inch	1.67	\$1,649
1-1/2 inch	3.33	\$3,298
2 inch	5.33	\$5,276
3 inch	11.67	\$11,545
4 inch	21.00	\$20,775
6 inch	46.67	\$46,171
8 inch	80.00	\$79,144

Water Capacity Fee Per Prison Bed*
\$462

\*Based on 175 GPD water usage per prisoner.

**Sewer Impact Fees**

Impact Fee Per GPD of Sewer Flow
\$7.91

Sewer Capacity Fee Per Prison Bed
\$1,107

Residential Impact Fee (Per EDU)
\$1,898

Miscellaneous Fees	
Late Penalty	\$21.40
Door Hangers	\$22.87
Turn on/ Turn Off (After Hours)	\$114.51
Turn on/ Turn Off (Business Hours)	\$57.25

**RESOLUTION NO. 10-14-2584****A RESOLUTION OF THE CITY COUNCIL OF CALIFORNIA CITY ADOPTING  
UPDATED WATER AND SEWER RATES, AND SUPERSEDING THE EXISTING  
RATES ESTABLISHED AND REPEALING RESOLUTIONS IN CONFLICT THERETO**

WHEREAS, the City operates separate water and sewer utility systems; and

WHEREAS, the City is required by law and City policy to collect revenues sufficient to cover the costs of operating each system. These revenues allow the City to safely and reliably provide water to the residents and businesses of California City, and to convey and treat wastewater generated by the homes and businesses of the City to protect human health and ensure that the environment is protected from the accidental release of effluent into the natural ecosystem; and

WHEREAS, the City recently undertook a water and sewer rate study to determine whether the current rate structures adequately provided for the maintenance, operation, replacement and rehabilitation of its water and sewer systems; and

WHEREAS, as a result of the study the City has determined that the current rate structure will not support the current and future costs of the system; and

WHEREAS, the Council finds that water rates have not been increased since 2010, the water enterprise is drawing down on fund reserves and is in need of significant repairs and replacements. The City's 200 square mile service area is one of the largest in the State of California. The initial developers installed much of the water mains prior to 1972 from uncoated steel with an estimated 30-year useful life. The City's water mains are heavily corroded, and the City experiences as many as 440 waterline breaks per year, contributing to approximately a 27% water loss.

WHEREAS, in order to ensure the health and safety of the community and to fund the extensive replacements which are needed, the City has prepared a long term plan. The plan will include the hiring and equipping of a third maintenance crew, and a rotation of water main replacement responsibilities among the three crews. Once implemented, the plan will allow the City to replace a quarter section (approximately 5 miles) of waterlines per year for twenty years, while at the same time maintaining the existing system. The plan will involve a reasonable increase in water rates, while at the same time minimizing costs.

WHEREAS, the City finds that it has not increased sewer/wastewater service fees since 2006. Rates have not kept up with increasing operational costs due to inflation, and the City's Waste Water Treatment Plant (WWTP) is in need of significant repairs and replacements due to deferred maintenance.

WHEREAS, one of the sewer enterprise's largest customers, the California City Correctional Facility, has seen a significant drop in prisoner population over recent years. With the majority of sewer enterprise costs being fixed regardless of wastewater flow, the sewer enterprise has been operating at a loss. This has resulted in fund reserves being drawn down.

WHEREAS, the California City Correctional Facility is expected to return to full capacity due to a recent lease to the State of California, and as a result the WWTP flow is expected to reach full capacity. The California City Correctional facility is requesting an increase of 1,000 beds to be operational in February 2016, but the current WWTP does not have the capacity to handle the increased flow.

WHEREAS, new connections to the sewer system due to mandatory state regulations on septic tank density are expected to further increase demand placed on the WWTP in the coming years. To accommodate this increased demand the WWTP must be upgraded.

WHEREAS, the proposed sewer rates reflect increases are needed to operate and maintain the system, and to fund the WWTP upgrade and expansion. The increases are designed to minimize the impact on rate payers, and will make use of debt financing through a low-interest State Revolving Fund Loan.

WHEREAS, the proposed rates reflect the cost of providing service to all customers through the apportionment of costs based on customer, capacity, and demand characteristics; and

WHEREAS, the Council determines that the recommended rates do not exceed the reasonable cost of providing water or sewer services, and as such the proposed rates are not levied for general revenue purposes; and

WHEREAS, at least forty-five days in advance of the public hearing at which this Resolution was considered, notice of the public hearing and notice of oral and written protests procedures against the proposed rates increases, were mailed to all property owners in compliance with California Constitution Article XIII D, "Property-Related Fees and Charges"; and

WHEREAS, based on the information presented, including the staff reports and comments from the members of the public, the City Council of the City of California City finds the following:

The purposes of the updated water rates established pursuant to this Resolution are to:

- Recover the reasonable estimate cost of services for which the rates are charged
- Provide that such costs are allocated among City customers so as to bear a fair and reasonable relationship to customers; burdens on and benefit from City water and sewer services
- Secure the financial stability of the water and sewer systems
- Provide for needed improvements to the systems;
- Provide a sound financial plan that meets existing ongoing operations and maintenance and debt service obligations.

WHEREAS, the rates set forth in this Resolution are intended to meet operating expenses, meet financial reserve needs and requirements, secure funding for capital improvement projects to maintain service with existing service areas, and recover costs necessary to maintain the current and expected levels of City water and sewer services. As such, adoption of the rates proposed in the staff reports and resolution as they relate to water and sewer services to City customers, is not a "project" within the meaning of the California Environmental Quality Act (CEQA), Public Resources Code 21080 (b) (8) (A) (C) and (D);" and

WHEREAS, there is not a protest of the proposed water service rate increases by a majority of the owners, or authorized representatives, of identified parcels receiving such services; and

WHEREAS, the rates and all portions of this Resolution are severable and should any of the Rates or any portion of this resolution be proven to be invalid and unenforceable by a body of competent jurisdiction, then the remaining rates and or resolution portions shall be and continue in full force and effect except for those rates and/or resolution that have been judged to be invalid; and

WHEREAS, this resolution will become effective immediately upon adoption, but the new rates in Exhibit A will not go into effect until the end of the current billing cycle which ends on October 13, 2014.

NOW, THEREFORE BE IT RESOLVED,

1. The abovementioned recitals are hereby incorporated into this resolution by this reference.
2. The City Council of the City of California City hereby determines that there was no majority protest of the proposed water and sewer rate increases.
3. The water and sewer/wastewater rates set forth in the attached Exhibit A are hereby approved and adopted, and will go into effect at the end of the day on October 13, 2014. The new rates shall supersede and replace any existing conflicting rates and resolutions in conflict thereto.

PASSED, APPROVED, AND ADOPTED this 21<sup>st</sup> day of October, 2014, by the following vote:

AYES: McGuire, Smith, Wood, Fuller, Bohannon  
NOES: None  
ABSENT: None



Patrick Bohannon, Mayor

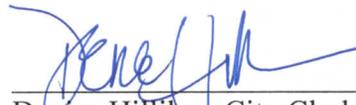
ATTEST:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Denise Hilliker, City Clerk  
\_\_\_\_\_  
Christian Bettenhausen, City Attorney

STATE OF CALIFORNIA            )  
COUNTY OF KERN                ) ss.  
CITY OF CALIFORNIA CITY        )

I, DENISE HILLIKER, City Clerk of California City, do hereby certify that the foregoing resolution, was regularly adopted at a meeting thereof on the 21st day of October, 2014.



Denise Hilliker, City Clerk

Exhibit A:    Approved Water and Sewer Rates