

**ORDINANCE NO. 3025**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY  
OF CORONA, CALIFORNIA, ESTABLISHING RATES  
FOR WATER SERVICE FEES**

**WHEREAS**, the City of Corona (the “City”) Department of Water and Power (“DWP”) purchases approximately 51% of its water from Western Municipal Water District and the Metropolitan Water District of Southern California “(MWD”) to supplement City water supplies and provide reliable water service to its customers; and

**WHEREAS**, the Governor of California, on June 4, 2008, issued an Executive Order declaring a drought in California; and

**WHEREAS**, MWD’s main sources of imported water supplies are facing unprecedented challenges because of dry conditions for the last nine years along the Colorado River and deteriorating environmental conditions in the Sacramento-San Joaquin Delta; and

**WHEREAS**, since 2003, MWD’s Colorado River supplies have been significantly diminished because California has reduced its use of Colorado River water due to drought conditions and in accordance with a series of intra-California and multi-state agreements on the Colorado River; and

**WHEREAS**, MWD’s State Water Project supplies from the Delta will be reduced by nearly 30 percent this year due to court-ordered pumping restrictions to protect endangered species; and

**WHEREAS**, MWD has already curtailed the delivery of water for agriculture and groundwater replenishment; and

**WHEREAS**, MWD, under its Water Surplus and Drought Management Plan, has declared that MWD’s Southern California service area is in a Water Supply Alert; and

**WHEREAS**, California Constitution Article X, Section 2 and California Water Code Section 100 provide that because of conditions prevailing in the State of California (the “State”), it is the declared policy of the State that the general welfare requires that the water resources of the State shall be put to beneficial use to the fullest extent of which they are capable, the waste or unreasonable use of water shall be prevented, and the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and the public welfare; and

**WHEREAS**, pursuant to California Water Code section 106, it is the declared policy of the State that the use of water for domestic use is the highest use of water and that the next highest use is for irrigation; and

**WHEREAS**, the rate structure for the City’s monthly water service fees is comprised of two components: (1) a Readiness to Serve Charge, which is a fixed charge established on the basis of the meter size of the parcel of property receiving water service; and (2) a Commodity Charge, which is determined on the basis of the amount of water served to a parcel of property in hundreds of cubic feet (“HCF”); and

**WHEREAS**, the DWP had a cost of service study (the “Study”) prepared to determine a rate structure and rates for its water service fees and charges that would proportionately allocate the cost of providing water service, promote the conservation of water, and prevent the waste and unreasonable use of water; and

**WHEREAS**, there has been presented to the City Council a proposed new system of tiered water rates and charges based upon customer water budgets (“Budget Based Water Rate Structure”) which will (i) promote efficient water use and resource conservation, and (ii) proportionately allocate the cost of providing water service; and

**WHEREAS**, the proposed Budget Based Water Rate Structure, attached hereto as Exhibit "A" and by this reference incorporated herein, will be applicable to the rates for the Commodity Charge component of the City's water rates and will establish water budgets for all customers; and

**WHEREAS**, as more fully described in the Study, water budgets for residential customers will be determined on the basis of individual household factors, such as the number of people per household, the size of the irrigated landscaped area, and the amount of water a typical household requires each month for indoor and outdoor use; and

**WHEREAS**, the Budget Based Water Rate Structure for residential customers has five tiers; the rate for the first two tiers will apply to any customer who stays within his or her water budget for indoor (Tier 1) and outdoor (Tier 2) water use; and

**WHEREAS**, any residential water customer who exceeds his or her water budget in any monthly billing period will be required to pay a higher rate (Tier 3, 4, or 5) based on the amount of water used in excess of his or her water budget; and

**WHEREAS**, as fully described in the Study, water budgets for commercial, industrial, institutional and governmental customers will be determined on the basis of each customer's average water use during the last three years; and

**WHEREAS**, the Budget Based Water Rate Structure for commercial, industrial, institutional, and governmental customers has four tiers; the first tier will apply to any customer who stays within his or her water budget (Tier 1); and

**WHEREAS**, any commercial, industrial, institutional and governmental customer who exceeds his or her water budget during any monthly billing period will be required to pay the higher rate (Tier 2, 3 or 4) based on the amount of water used in excess of his or her water

budget; and

**WHEREAS**, as more fully described in the Study, water budgets for dedicated landscape meter customers, including recycled water, will be determined on the basis of the size of each customer's irrigated landscape area and daily weather data; and

**WHEREAS**, the Budget Based Water Rate Structure for dedicated landscape meter customers has four tiers; the first tier will apply to any customer who stays within his or her water budget (Tier 1); and

**WHEREAS**, any dedicated landscape meter customer who exceeds his or her water budget during any monthly billing period will be required to pay the higher rate (Tier 2, 3 or 4) based on the amount of water in excess of his or her water budget; and

**WHEREAS**, the proposed new Budget Based Water Rate Structure has been reviewed and considered in depth by the City Council, and it has been determined to be in the best interest of the City to adopt the Budget Based Water Rate Structure as the most effective and equitable method of proportionately allocating the cost of providing water service, promoting the conservation of water, and preventing the waste and unreasonable use of water; and

**WHEREAS**, the revenues derived from the water service fees will not exceed the funds required to provide water services and shall be used exclusively for the Water System (the "System"); and

**WHEREAS**, the water service fees will not exceed the proportional cost of the services attributable to each parcel upon which they are imposed; and

**WHEREAS**, the water service fees will not be imposed on a parcel unless the water services are actually used by, or immediately available to, the owner of the parcel; and

**WHEREAS**, the City, as the lead agency under the California Environmental Quality Act (“CEQA”), in consultation with the City’s Legal Counsel, prepared a Preliminary Exemption Assessment for the adoption of this Ordinance in order to evaluate its potential impacts. The City determined that this Ordinance is exempt from CEQA review under Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273 because the Water Service Charges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System and will not result in the expansion of the System; and

**WHEREAS**, California Constitution article XIII D, section 6 (“Article XIII D”) requires that prior to imposing any increase to the water service fees, the City shall provide written notice (the “Notice”) by mail of: (1) the proposed increases to such rates and charges to the record owner of each parcel upon which the rates and charges are proposed for imposition and any tenant directly liable for payment of the rates and charges; (2) the amount of the rates and charges proposed to be imposed on each parcel; (3) the basis upon which the rates and charges were calculated; (4) the reason for the rates and charges; and (5) the date, time and location of a public hearing (the “Hearing”) on the proposed rates and charges; and

**WHEREAS**, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the rates and charges not less than forty-five days prior to the Hearing on the proposed rates and charges; and

**WHEREAS**, the City did provide such Notice to the affected property owners and tenants of the proposed Water Service Charges in compliance with Article XIII D; and

**WHEREAS**, the Hearing was held on this day, February 3, 2010; and

**WHEREAS**, at the Hearing the City Council heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases for the water service fees, and at the close of the Hearing the City did not receive written protests against the establishment and imposition of the proposed rate increases for the water service fees from a majority of the affected property owners and tenants directly liable for the payment of the water service fees; and

**WHEREAS**, the City Council now desires to establish and impose the proposed Budget Based Water Rate Structure for the water service fees at the rates and in the amounts as set forth in Exhibit "A".

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CORONA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council finds and determines that the foregoing recitals are true and correct and incorporates the recitals herein.

**SECTION 2.** As the decision-making body for the City, the City Council has reviewed and considered the information contained in the Preliminary Exemption Assessment and administrative record. The City Council finds that the Preliminary Exemption Assessment contains a complete and accurate reporting of the environmental impacts associated with the adoption of this Ordinance and reflects the independent judgment of the City Council.

**SECTION 3.** The City Council hereby finds that the administration, operation, maintenance, and improvements of the System, which are to be funded by the water service fees set forth herein, are necessary to maintain service within the City's existing service area. The City Council further finds that the administration, operation, maintenance, and improvements of the System, to be funded by the water service fees set forth herein, will not expand the System.

The City Council further finds that such water service fees are necessary and reasonable to fund the administration, operation, maintenance and improvements of the System. Based on these findings, the City Council hereby determines that this Ordinance is exempt from the requirements of CEQA pursuant to California Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273(a).

**SECTION 4.** The documents and materials that constitute the record of proceedings on which these findings have been based are located at City of Corona, 400 S. Vicentia Avenue, Corona, California 92882. The custodian for these records is the City Clerk of the City.

**SECTION 5.** The City Council hereby adopts the Budget Based Water Rate Structure for the City's water service fees at the rates and in the amounts set forth in Exhibit "A". Such rates shall be in effect beginning March 19, 2010.

**SECTION 6.** The City Council hereby authorizes and directs the City Manager to implement and take all actions necessary to effectuate the rates for the water service fees set forth herein and to direct staff to prepare and file a Notice of Exemption with the County Clerk for Riverside County within five (5) working days of the date of the adoption of this Ordinance.

**SECTION 7.** If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

**SECTION 8.** The Mayor shall sign this ordinance and the City Clerk shall attest thereto and shall within fifteen (15) days after adoption cause it, or a summary of it, to be published in a newspaper of general circulation, printed and published in the City of Corona, California.

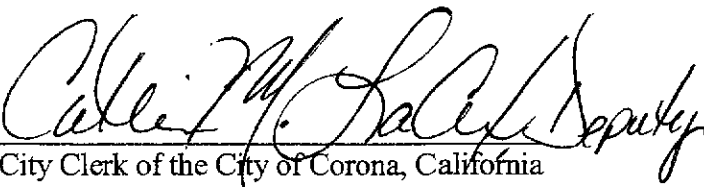
**SECTION 9.** A full reading of this Ordinance is hereby waived. This Ordinance was introduced at a regular meeting of the City Council of the City of Corona, California, on the 3rd day of February, 2010, and thereafter adopted at a regular meeting of the City Council held on the 17th day of February, 2010.

**SECTION 10.** This Ordinance shall become effective thirty (30) days from and after its final passage.

**ADOPTED** this 17th day of February, 2010.

  
\_\_\_\_\_  
Mayor of the City of Corona, California

**ATTEST:**

  
\_\_\_\_\_  
City Clerk of the City of Corona, California



**CERTIFICATION**

I, VICTORIA J. WASKO, City Clerk for the City of Corona, do hereby certify that the foregoing Ordinance was regularly introduced at a regular meeting of the City Council of the City of Corona, California, California, duly held the 3rd day of February, 2010, and thereafter at an adjourned regular meeting held on the 17th day of February, 2010, it was duly passed and adopted by the following vote of the Council:

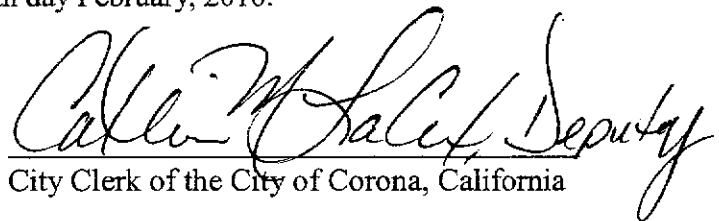
**AYES: MONTANEZ, NOLAN, SCOTT, SKIPWORTH, SPIEGEL**

**NOES: NONE**

**ABSENT: NONE**

**ABSTAINED: NONE**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of Corona, California, this 17th day February, 2010.

  
City Clerk of the City of Corona, California

(SEAL)

**EXHIBIT "A"**  
**TO ORDINANCE NO. 3025**

Residential and Multi-Family Customer Rates	
Tier	Rate
1. Indoor Water Budget <sup>1</sup>	\$1.81/HCF
2. Outdoor Water Budget <sup>2</sup>	\$1.99/HCF
3. Inefficient Water Use <sup>3</sup>	\$2.71/HCF
4. Excessive Water Use <sup>4</sup>	\$5.43/HCF
5. Wasteful Water Use <sup>5</sup>	\$9.95/HCF

- 1 Indoor Water Budget (Tier 1): Based on the number of people in the customer's household and staying within his/her indoor water budget.
- 2 Outdoor Water Budget (Tier 2): Based on the total irrigated, landscaped area for the customer's property and staying within his/her outdoor water budget.
- 3 Inefficient Water Use (Tier 3): Based on exceeding the customer's total water budget by up to 20%.
- 4 Excessive Water Use (Tier 4): Based on exceeding the customer's total water budget by 21-40%.
- 5 Wasteful Water Use (Tier 5): Based on exceeding the customer's total water budget by more than 40%.

	Commercial, Industrial, Institutional & Governmental Customers	Recycled Water Customers
Tier	Rate	Rate
1. Water Budget <sup>1</sup>	\$1.99/HCF	\$1.39/HCF
2. Inefficient Water Use <sup>2</sup>	\$2.71/HCF	\$2.08/HCF
3. Excessive Water Use <sup>3</sup>	\$5.43/HCF	\$2.78/HCF
4. Wasteful Water Use <sup>4</sup>	\$9.95/HCF	\$4.16/HCF

- 1 Water Budget (Tier 1): Based on the customer's water budget
- 2 Inefficient Water Use (Tier 2): Based on exceeding the customer's water budget by up to 20%
- 3 Excessive Water Use (Tier 3): Based on exceeding the customer's water budget by 21-40%
- 4 Wasteful Water Use (Tier 4): Based on exceeding the customer's water budget by more than 40%

Readiness to Serve Charge All Customers (No Change)	
Water Meter Size	Rate
5/8"	\$18.04
3/4"	\$23.66
1"	\$33.85
1 1/2"	\$58.99
2"	\$86.09
3"	\$147.13
4"	\$226.02
6"	\$415.08
8"	\$610.50