

TO: City Council
FROM: Doug Monn, Public Works Director
SUBJECT: Sewer Charges for Small Multi-Family Dwellings
DATE: January 15, 2013

NEEDS: For the City Council to hold a public hearing and consider first reading of an ordinance to amend the basis of sewer bills for small multi-family dwellings.

- FACTS:**
1. After following all required procedures in accordance with Article XIID, Section 6, of the California Constitution (Proposition 218) with respect to the adoption of new or increased property-related fees, the City Council adopted Ordinance No. 975 N.S. on December 6, 2011, enacting new sewer rates.
 2. Under Ordinance No. 975, sewer bills for single-family residences are based on Winter Water Use, as defined in the Ordinance.
 3. Ordinance No. 975 provides that sewer bills for multi-family dwellings with two or more dwelling units under common ownership are based on monthly water use.
 4. After the new sewer rates became effective July 1, 2012, staff learned that many small multi-family dwellings (those with four or less dwelling units) have only one water meter for both indoor and outdoor uses, and have significant irrigated landscaping.
 5. Water usage for these small multi-family dwellings is consistently low in the winter and consistently high in the summer, similar to single-family residences. Therefore it would be appropriate to change the basis of sewer bills for multi-family dwellings of four units or less with one water meter to Winter Water Use, rather than monthly water use.
 6. On November 20, 2012, City Council directed staff to prepare an amendment to Section 14.16.020 of the Municipal Code, to change the basis of sewer bills for small multi-family dwellings.
 7. A summary of the proposed amendment and notice of tonight's hearing was published in the Paso Robles Press. The full text of the proposed amendment is posted on the City's website and outside City Hall.

ANALYSIS &

CONCLUSION: The attached Ordinance would add the following underlined language to Section 14.16.020 of the Municipal Code:

"A small multi-family dwelling is a building containing four or less dwelling units under single ownership. A small multi-family dwelling served by only one water meter for both indoor and outdoor water uses, or that has

separate water meters for each dwelling unit, shall be billed as single-family residences.

(a) Large Multi-Family Dwellings: A large multi-family dwelling is a building comprised of ~~two~~ more than four dwelling units under ~~common~~ single ownership, such as apartment complexes, or any other multi-family dwelling that has a separate water meter for outdoor water uses. Monthly wastewater bills for large multi-family dwellings shall be based on metered monthly water use multiplied by the usage charge then in effect.”

The Proposition 218 procedures for mailing public notices, holding a public hearing and determining if there has been a majority protest do not apply to these changes. This is because Proposition 218 applies only when new or increased fees are being proposed. In this case, the change would decrease, rather than increase, sewer bills for approximately 325 customers, and the rates for all other sewer customers would remain the same.

POLICY

REFERENCE: Proposition 218 requirement that property-related fees are charged to owners in proportion to use.

FISCAL

IMPACT: Revenue to the Sewer Enterprise Fund would decrease by approximately \$50,000 to \$75,000 per year. This amounts to a less than 1% decrease in total anticipated revenue for Fiscal Year 2012/13. This change would not have a significant adverse impact on the Sewer Enterprise Fund.

OPTIONS:

- a. Close the public hearing and introduce and read by title only Ordinance No. XXX N.S.
- b. Amend, modify or reject the above option.

ATTACHMENT:

Proposed Ordinance No. XXX N.S.

Report prepared by Matt Thompson, Wastewater Division Manager

ORDINANCE NO. XXX N.S.

AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES
AMENDING SECTION 14.16.020 OF THE MUNICIPAL CODE
REGARDING WASTEWATER SERVICE CHARGES FOR SMALL MULTI-FAMILY
DWELLINGS

WHEREAS, the City of Paso Robles operates a wastewater collection, treatment, and disposal system to serve residents and businesses; and

WHEREAS, after following all required procedures in accordance with Article XIID, Section 6, of the California Constitution with respect to the adoption of new or increased property-related fees, the City Council adopted Ordinance No. 975 N.S. on December 6, 2011 enacting new wastewater service charges; and

WHEREAS, under Ordinance No. 975, the wastewater bills for single-family residences are based on Winter Water Use, as defined in the Ordinance.

WHEREAS, Ordinance No. 975 provides that sewer bills for multi-family dwellings with two or more dwelling units under common ownership are based on monthly water use.

WHEREAS, after the new sewer rates became effective July 1, 2012, staff learned that many small multi-family dwellings have only one water meter for both indoor and outdoor uses, and have significant irrigated landscaping.

WHEREAS, multi-family dwellings of four units or less are typically located within single-family residential neighborhoods. Water usage patterns for small multi-family dwellings indicated water use is consistently low in the winter and consistently high in the summer, similar to single-family residences. Staff determined it would be appropriate to change the basis of sewer charges for multi-family dwellings of four units or less to Winter Water Use, rather than monthly water use.

WHEREAS, based on the analysis by staff, this change would result either in no change or lower wastewater bills for the approximately 325 affected properties, out of nearly 10,000 wastewater customers in the City, and that such change would result in no changes to rates for other customers, therefore the procedural requirements of Article XIID, Section 6, do not apply; and

WHEREAS, the change in wastewater bills for the affected properties will have no significant effect on the revenues to the City's Sewer Enterprise Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Subsection (c) of Section 14.16.020 of the Paso Robles Municipal Code is hereby revised to read in its entirety as follows:

"14.16.020 Fees

- (a) Single-Family Residences: Monthly wastewater bills for single-family residential customers shall be based on the average monthly metered water use from the previous December-January-February billing period ("Winter Water Use") multiplied by the usage charge then in effect. The "Winter Water Use" shall establish the maximum usage for the remainder of the year's wastewater billing; if actual water usage in any one month is less than a customer's Winter Water Use, that month's bill shall be based on the actual usage multiplied by the usage charge then in effect. Notwithstanding the foregoing, if a customer's Winter Water Use averages 2 HCF per

month or less, the monthly wastewater bill shall be based on the average of two (2) consecutive Winter Water Use periods.

For new service accounts, the initial year's billing will be based on the then-current median single family residential Winter Water Use, as determined by City Department of Administrative Services, multiplied by the usage charge then in effect. The 2011 median single-family residential Winter Water Use is 7 HCF/month.

Condominiums are residential units held under separate ownership with the underlying parcel held under common ownership. Condominium units served by individual water meters shall be billed as single-family residences.

A small multi-family dwelling is a building containing four or less dwelling units under single ownership. A small multi-family dwelling served by only one water meter for both indoor and outdoor water uses, or that has separate water meters for each dwelling unit, shall be billed as single-family residences.

- (b) Large Multi-Family Dwelling: A large multi-family dwelling is a building comprised of more than four dwelling units under single ownership, such as apartment complexes, or any other multi-family dwelling that has a separate water meter for outdoor water uses.. Monthly wastewater bills for large multi-family dwellings shall be based on metered monthly water use multiplied by the usage charge then in effect."

SECTION 2. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

SECTION 3. Effective Date. This Ordinance shall take effect thirty (30) days after adoption as provided by Government Code section 36937.

SECTION 4. Publication. The City Clerk will certify to the passage of this Ordinance by the City Council of the City of El Paso de Robles, California and cause the same to be published once within fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Government Code section 36933.

Introduced at a regular meeting of the City Council held on January 15, 2013 and passed and adopted by the City Council of the City of El Paso de Robles on the ___ day of _____, 2013 by the following roll call vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk