RESOLUTION NO. 09-032

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES MODIFYING AND ADOPTING WATER CONNECTION AND CAPACITY CHARGES

WHEREAS, improvements to the City water system are needed, primarily to supplement the limited ground water supply, and also to provide adequate distribution, staffing, and water storage capacity; and

WHEREAS, the planned improvements as outlined in the 2007 Integrated Water Resources Plan and Capital Improvement Program and subsequent capital improvement plan updates amount to approximately $170 million through the year 2025, including Nacimiento supply and treatment capital costs as well as other distribution system capital costs plus financing and operations costs; and

WHEREAS, on January 15, 2008, Council directed that studies of water rates and water connection fees (water capacity charges) be prepared in light of both the Nacimiento project and other planned water system improvements; and

WHEREAS, the City retained the firm of HF&H Consultants, LLC to analyze the City's costs for existing and future facilities as well as the proportional share of such costs that should be borne by new development through water capacity charges; and

WHEREAS, HF&H determined that the revenues generated by the existing connection fees (water capacity charges) are inadequate to pay for new development's proportional costs of those improvements set forth in the Integrated Water Resources and Capital Improvement Plan which are necessary to sustain water system operations and water production in compliance with State Department of Public Health, local fire code, and other requirements; and

WHEREAS, the City wishes to ensure the ability to produce water to meet peak demands, extend water reliability and improve water quality; and

WHEREAS, a phased connection fee will provide the necessary funding to provide a reliable, well-maintained, infrastructure system and reliable water resource to serve the needs of its existing and future customers; and

WHEREAS, notices and information regarding the March 17, 2009, public hearing on the adoption of the proposed capacity charges, in compliance with the requirements of Government Code section 66016, were sent to interested parties.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of El Paso de Robles hereby finds and determines that the proposed water connection and capacity charges do not exceed the estimated reasonable cost of providing the service for which the fee is to be charged. This finding is based on the study conducted by HF&H, dated January 23, 2009, as amended to date, and incorporated herein by reference, the staff report and other testimony and information presented at the public hearing.

SECTION 2. The City Council of the City of El Paso de Robles does hereby approve and adopt the schedule of water connections fees (water capacity charges) attached hereto as Exhibit 'A' and incorporated herein by reference, to become effective January 1, 2010.

SECTION 3. That said water connection fees (water capacity charges) shall be reviewed no less than biennially (every two years) in conjunction with the update of the City's four-year financial plan to ensure that the water connection fees (water capacity charges) then in existence do not exceed the estimated reasonable cost of providing the public facilities and services for which they are imposed.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of March 2009 by the following votes:

AYES: Gilman, Hamon, Steinbeck, Strong and Picanco
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Cathy M. David, Deputy City Clerk

EXHIBIT 'A'
TO RESOLUTION 09-032

Water Connection and Capacity Charges

Connection Size	Current Charge as of	Proposed Charge as of				
	July 1, 2008	January 1, 2010	January 1, 2011	January 1, 2012	January 1, 2013	January 1, 2014
5/8" and 3/4"	$9,119	$12,000	$14,870	$17,750	$20,620	$23,500
1"	$15,226	$20,040	$24,830	$29,640	$34,440	$39,250
1-1/2"	$30,364	$39,960	$49,520	$59,110	$68,660	$78,260
2"	$48,601	$63,960	$79,260	$94,610	$109,900	$125,260
3"	$97,292	$120,000	$148,700	$177,500	$206,200	$235,000
4"	$152,002	$200,040	$247,880	$295,890	$343,740	$391,750
6"	$303,914	$399,960	$495,620	$591,610	$687,260	$783,260
8'	$486,280	$639,960	$793,020	$946,610	$1,099,660	$1,253,260
10"	$699,100	$920,040	$1,140,080	$1,360,890	$1,580,940	$1,801,750