

RESOLUTION NO. 2011-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE ADOPTING A REVISED SCHEDULE OF RATES AND CHARGES FOR WATER SERVICE IN THE TORRANCE MUNICIPAL WATER SERVICE AREA

WHEREAS, the City of Torrance provides water service to approximately 80% of the area of the City under the aegis of Torrance Municipal Water; and

WHEREAS, Pursuant to Section 76.2.7 of the Torrance Municipal Code, the City Council of the City of Torrance has the authority to set and collect rates and charges for water services for the area served by Torrance Municipal Water; and

WHEREAS, the City Council has previously set February 15, 2011 as the date for a Public Hearing for consideration of a revised schedule of water rates and charges (including automatic adjustments to become effective each year through 2015) for the Torrance Municipal Water service area; and

WHEREAS, notice of the February 15, 2011 public hearing (the "Hearing"), and of the proposed schedule of rates and charges, was mailed to each Torrance Municipal Water customer as required by the state constitution; and

WHEREAS, such mailing was completed on December 27, 2010; and

WHEREAS, a protest form was mailed to each customer along with the notice; and

WHEREAS, at the Hearing, the City Council heard and considered all oral and written testimony and protests; and

WHEREAS, the City Council desires to approve the proposed schedule of rates and charges.

THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. EFFECTIVE DATE.

The rates and charges set forth in this Resolution shall take effect on March 1, 2011.

SECTION 2. SCHEDULE OF RATES AND CHARGES

A. Rate Structure

Each customer is charged both a monthly base charge known as a "Meter Service Charge" and a "Commodity Charge" based on the amount of water consumed during the billing service period.

B. Meter Service Charge

Meter Size	Monthly Meter Service Charge	Bi Monthly Meter Service Charge
3/4"	\$5.25	\$10.50
1"	\$7.10	\$14.20
1 1/2"	\$11.73	\$23.46
2"	\$17.29	\$34.58
3"	\$34.89	\$69.78
4"	\$60.82	\$121.64
6"	\$132.12	\$264.24
8"	\$224.73	\$449.46
10"	\$354.38	\$708.76
12"	\$465.51	\$931.02
14"	\$697.02	\$1,394.04

C. Commodity Charge

	TIER	Monthly Usage Block (ccf*)	Bi Monthly Usage Block (ccf)	Internal Rate Component \$/ccf	Pass Through Component \$/ccf	Total Commodity Charge \$/ccf
Single family residential (SFR)	1	First 8 ccf	First 16 ccf	\$2.33	\$0.12	\$2.45
	2	9-14 ccf	18- 28 ccf	\$2.92	\$0.12	\$3.04
	3	15-24 ccf	30 -48 ccf	\$3.64	\$0.12	\$3.76
	4	25 ccf and above	49 ccf and above	\$4.52	\$0.12	\$4.64
All other customers	1	First 10 ccf	First 20 ccf	\$2.33	\$0.12	\$2.45
	2	11 ccf and above	21 ccf and above	\$2.97	\$0.12	\$3.09
Low income senior and disabled	1	First 8 ccf	First 16 ccf	\$1.97	\$0.12	\$2.09
	2	9-14 ccf	18-26 ccf	\$2.56	\$0.12	\$2.68
	3	15-24 ccf	30-48 ccf	\$3.28	\$0.12	\$3.40
	4	25 ccf and above	49 ccf and above	\$4.16	\$0.12	\$4.28

SECTION 3. PRIVATE FIRE PROTECTION

A. Fireline Charge

Customers that require a fire protection service are charged a private fire protection service charge (also known as a fireline charge) based on the size of the fire protection service:

Fire Meter Size	Monthly Service Charge	Bi Monthly Service Charge
2"	\$5.06	\$10.12
3"	\$10.01	\$20.02
4"	\$18.53	\$37.06
6"	\$49.14	\$98.28
8"	\$101.92	\$202.40
10"	\$181.31	\$362.62
12"	\$291.35	\$582.70

B. Quantity Rates

Any water usage recorded on the fire protection service is billed in accordance with the rate schedule for "All Other Customers" in Section 2(C) of this Resolution.

SECTION 4. CONTRACTUAL RATES

Water rates for customers with contractual rates that are currently in effect are excluded from the provisions of this Resolution.

SECTION 5. RATE ADJUSTMENTS

Each rate set forth in Sections 2 and 3 of this Resolution shall automatically adjust effective January 1 of each year from 2012 through 2015 as follows:

A. Pass Through Component

The portion of the Commodity Charge identified as "Pass Through Component" shall be adjusted to reflect the actual change in the wholesale cost of water purchased by the City.

B. All Other Rates

All other rates, including the "Internal Rate Component" of the Commodity Charge shall be adjusted by 6.5% in 2012, and by the change in the consumer price index for all urban consumers for the Los Angeles/Riverside/Orange County Area for each year 2013 through 2015.

Notice of these adjustments shall be given to customers pursuant to Section 53756(d) of the California Government Code at least 30 days prior to their effective date.

The rates effective January 1, 2015 shall continue in effect until amended or repealed by action of the City Council.

SECTION 6. TEMPORARY WATER SERVICE

A. Minimum Charge

A minimum charge equal to the monthly meter service charge (Readiness-to-Serve) for a 3" meter shall apply to all applicants for temporary water service regardless whether a meter is actually set or a temporary permit is issued. This charge will not be prorated, except in cases where continuous usage exceeds one month.

B. Quantity Rates (Commodity)

In addition to the minimum charge, all applicants will be billed for the quantity of water used a prevailing quantity (commodity) rates.

C. Deposit for Temporary Meter

For temporary water service requiring the setting of a temporary meter, the applicant shall make a deposit of \$ 1,000 for said meter, which shall be refunded to the applicant once the meter is returned to the City. Upon completion of the temporary use period, the meter shall be returned to the City in good condition. In the event the meter is not returned the deposit will be forfeited. Any damage to the meter will be paid by the applicant and deducted from the deposit.

D. Non-metered Service

The policy of the City shall be to meter all temporary water usage, if possible. In the event such metering proves impracticable, a method shall be employed by the City to estimate usage based on the cubic footage of the ditch or area flooded, the area of ground sprinkled, the size and number of loads taken by tank trucks, or other reasonable method for calculating the amount of water used.

SECTION 7. MISCELLANEOUS CHARGES

The pumping service charge and fire flow service charges are indexed to the annual change in the Consumer Price Index for Urban Wage Earners (CPI-W) for the Los Angeles/Riverside/Orange County. Other service fees for start charge, reconnection charge, installation charges for small meters (3/4", 1" and 1 1/2"), potholing charge and meter accuracy test are incorporated into City Resolution 2009-66 and are not subject to this Resolution.

A. Pumping Service Charge

When water is furnished to a property at an elevation higher than can be supplied by gravity flow from the water source or reservoir that supplies water to said property, a pumping charge, as shown in the below chart, shall be added to the customer's water bill for energy and other related costs.

Meter Size	Monthly Service Charge	Bi Monthly Service Charge
3/4"	\$3.08	\$6.16
1"	\$7.64	\$15.28
1 1/2"	\$15.30	\$30.60
2"	\$24.48	\$48.96
3"	\$48.96	\$97.92
4"	\$76.49	\$152.98
6"	\$152.99	\$305.98
8"	\$244.78	\$489.56
10"	\$351.19	\$702.38
12"	\$657.85	\$1,315.70

B. Fire Flow Service Charge

A \$150 charge per service call shall apply to parties requesting the performance of a fire flow test. This fee is payable in advance of performance of the fire flow test.

C. Late Payment Penalty

A late payment charge shall be levied on all outstanding account balances, which are 30 days or more in arrears from the mailing date of the utility bill. The charge shall be equal to 3% of the unpaid balance 30 or more days in arrears.

D. Engineering, Inspection and Overhead Service Charge (EIO)

A service charge shall be levied to recover engineering, inspection and overhead costs for all water system facilities constructed at developer expense. The fee shall be equal to 22.5% of the actual construction cost of said facilities. The developer, or his designee, shall furnish a letter documenting the actual construction cost, and the City shall have the right to verify said costs. The fee is payable promptly after receipt of a billing rendered by the City.

E. Installation Charge for New Service Connection 2" and Larger

Upon application for new service connection 2" or larger, the applicant shall be required to make a deposit to the City for the total estimated cost of said installation, including the engineering, inspection and overhead charge.

- 1) The total cost of the new service connection shall consist of all actual Material and installation/construction costs plus a charge of 22.5% of said installation cost for engineering, inspection and overhead.
- 2) When said installation is complete, the total cost shall be determined. If said cost is less than the amount of the deposit, the excess shall promptly be refunded. If said cost is greater than the amount deposited, applicant shall be required to pay the difference promptly.

SECTION 8. RECYCLED WATER

Recycled water rates for non contract customers are established by City Resolution 99-103 and are unaffected by this Resolution.

SECTION 9. PRIOR ACTIONS SUPERSEDED

This Resolution supersedes prior resolutions of the City Council to the extent they set rates inconsistent with those set forth herein.

SECTION 10. ADMINISTRATION

It shall be the duty and function of the Finance Director to administer this Resolution.

SECTION 11. FINDINGS

The City Council hereby finds:

- A. That written protests against the rates established in Sections 2-5 of this Resolution have not been received with respect to a majority of affected customers.
- B. That revenues derived from those rates will not exceed the funds required to provide water service.
- C. That revenues derived from those rates will not be used for any purpose other than providing water service.
- D. That the amounts of those rates imposed upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel.

