



## AGENDA REPORT

**Meeting Date:** October 20, 2015

**Item Number:** E-6

**To:** Honorable Mayor & City Council

**From:** Laurence S. Wiener, City Attorney

**Subject:** AN ORDINANCE OF THE CITY OF BEVERLY HILLS TO INCREASE RATES AND CHARGES FOR WATER SERVICES AND FACILITIES FURNISHED BY THE CITY.

**Attachments:** 1. Ordinance

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### **RECOMMENDATION**

It is recommended that the City Council move to waive the full reading and adopt the ordinance entitled "AN ORDINANCE OF THE CITY OF BEVERLY HILLS TO INCREASE RATES FOR WATER SERVICES AND FACILITIES FURNISHED BY THE CITY." (adoption of this ordinance will require a 4/5 vote)

### **INTRODUCTION**

If adopted by a 4/5 vote, this ordinance will implement two rate increases of 5% each to cover the projected revenue shortfall as a result of anticipated reduction in consumption and increasing expenses to fulfill the State's conservation mandate.

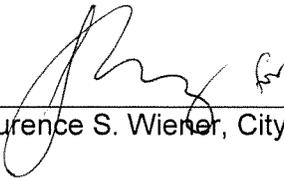
### **DISCUSSION**

At its September 1, 2015 meeting, the City Council opened the public hearing regarding the proposed rate increases to hear public testimony. The public hearing was continued to the October 6, 2015 Formal meeting to accept any additional public testimony, along with the introduction of two rate increases of 5% each, one to go into effect in November 2015 and the second rate increase would go into effect in March 2016 if needed.

At its meeting of October 6, 2015, the Council conducted a first reading and introduced this ordinance.

**FISCAL IMPACT**

The rate increase of 5% and the use of \$4M from operations and reserves is estimated in the interim to cover revenue loss from conservation and increasing operating expenses until a new tiered rate structure can be put in place by mid-January 2016.

  
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Laurence S. Wiener, City Attorney

# **Attachment 1**

**ORDINANCE NO. 15-O-\_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF BEVERLY HILLS TO  
INCREASE RATES AND CHARGES FOR WATER  
SERVICES AND FACILITIES FURNISHED BY THE CITY**

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS DOES ORDAIN

AS FOLLOWS:

Section 1. The City Council of the City of Beverly Hills hereby finds as follows:

(a) The City Council is authorized pursuant to the California Health and Safety Code Section 5471 to prescribe, revise and collect rates and charges for water services and facilities furnished by the City.

(b) The City Council wishes to increase the rates and charges (the “rates”) for water services and facilities furnished by the City, as provided in Exhibit A.

(c) The City Council identified the parcels upon which the proposed rates would be imposed and calculated the amount of the proposed rates.

(d) The City Clerk caused a notice of the time and place of a public hearing on the proposed rates to be mailed as required by Section 6 of Article XIID of the California Constitution.

(e) Each notice described the amount of proposed rates, the basis upon which the amount of the proposed rates was calculated, the reason for the proposed rates, and the date time and location of a public hearing on the proposed rates.

(f) On September 1, 2015 and on October 6, 2015, the City Council conducted a public hearing on the proposed rates and heard and considered all objections and protests thereto and at the close of the public hearing, the City Council determined that written protests had not been presented by a majority of owners of the identified parcels.

Section 2. The City Council hereby approves the rates in the amounts and on the effective dates as provided in Exhibit A.

Section 3. The City Clerk shall cause this Ordinance to be published at least once in a newspaper of general circulation published and circulated in the City within fifteen (15) days after its passage, in accordance with Section 36933 of the Government Code; shall certify to the adoption of this Ordinance and shall cause this ordinance and her certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

Section 4. This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the thirty-first (31st) day after its passage.

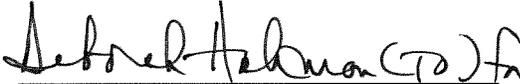
Adopted:  
Effective:

\_\_\_\_\_  
JULIAN A. GOLD, M.D.  
Mayor of the City of Beverly Hills,  
California

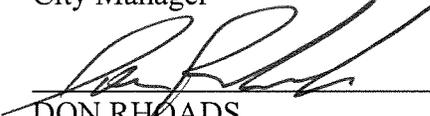
ATTEST:

\_\_\_\_\_  
BYRON POPE (SEAL)  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

\_\_\_\_\_  
MAHDI ALUZRI  
City Manager  
  
\_\_\_\_\_  
DON RHOADS  
Director of Administrative Services/Chief  
Financial Officer

## EXHIBIT A

		2015/16		Eff. November 20, 2015		Eff. March 1, 2016 (if needed)	
		<u>CURRENT RATE</u>		<u>PROPOSED RATE</u>		<u>PROPOSED RATE</u>	
		<u>Inside</u>	<u>Outside</u>	<u>Inside</u>	<u>Outside</u>	<u>Inside</u>	<u>Outside</u>
		<u>City</u>	<u>City</u>	<u>City</u>	<u>City</u>	<u>City</u>	<u>City</u>
Quantity charge:							
Bimonthly Water Usage - units of 100 cu ft (per 100 cu ft)							
Single Family Residences & Duplexes (SFR)	Multi-Family Residential (MFR) (Tier acts as a multiplier by # of units.)						
Tier 1 - from 1 and up to 10	Tier 1 - from 1 to 4	\$ 3.53	\$ 4.41	\$ 3.71	\$ 4.63	\$ 3.90	\$ 4.86
Tier 2 - over 10 and up to 55	Tier 2 - over 4 and up to 9	\$ 4.67	\$ 5.84	\$ 4.90	\$ 6.13	\$ 5.15	\$ 6.44
Tier 3 - over 55 to 120	Tier 3 - over 9 and up to 16	\$ 7.36	\$ 9.21	\$ 7.73	\$ 9.67	\$ 8.12	\$ 10.15
Tier 4 - over 120 +	Tier 4 - over 16+	\$ 14.22	\$ 17.77	\$ 14.93	\$ 18.66	\$ 15.68	\$ 19.59
Non-residential rate (Commercial, Governmental and Schools)		\$ 6.04	\$ 7.55	\$ 6.34	\$ 7.93	\$ 6.66	\$ 8.33

Note: The bimonthly water rate is comprised of a fixed charge and a consumption charge. The City is proposing a rate increase for the consumption charges only, as shown in the above table. The fixed charge, which is not shown on the above table, will remain the same.