



AGENDA REPORT

Meeting Date: October 4, 2016
Item Number: D-5
To: Honorable Mayor & City Council
From: Vince Damasse, Water Resources Manager *V.D.*
Trish Rhay, Assistant Director of Public Works *[Signature]*

Subject: RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING ITS RESOLUTION NO. 15-R-13024 REGARDING THE ESTABLISHMENT OF A WATER CAPACITY CHARGE

Attachments: 1. Resolution

RECOMMENDATION

Staff recommends that the City Council move to adopt a Resolution of the Council of the City of Beverly Hills Amending its Resolution No. 15-R-13024 regarding the establishment of a water capacity charge.

INTRODUCTION

This amended resolution is a follow-up clarification of the City's adopted 2015 Water Capacity Charges as it pertains to fire services capacity fees. This item was presented as a "C" item at the City Council Study Session Meeting on August 25, 2016.

DISCUSSION

The City adopted Water Capacity Charges (WCC) in March 2015. The Water Capacity Charges were developed for all water service connections usage based on meter sizes ranging from 1-inch to 6-inch or when there is no net meter size upgrade, based on net square footage increase above 1,000 square feet.

Based on inquiries received from various developers regarding the City's water capacity fees, staff clarified and recommended at the previous Public Works Commission Meeting on July 14, 2016, and the Public Works Liaison Committee Meeting on August 2, 2016, the following:

1. Fire Services or fire service meters will not be charged a capacity fee. The City's current Water Capacity Charge allocates Operations and Maintenance costs of its existing facilities and future Capital Improvement Program treatment plant and distribution system improvements proportionately by the total number of domestic meters in its water system. Therefore, fire services capacity fees are already built into the current Water Capacity Charge rate structure.
2. Fire services or fire service meters are used intermittently and not continuously like domestic meters. A survey of water utilities by the City's financial rate consultant and staff revealed only a handful of water utilities that do charge a water capacity charge for intermittent fire services or meters. The few utilities that did charge a water capacity fee for intermittent fire services charged a fire capacity fee that was a comparatively much smaller nominal fraction of its domestic water capacity charges to reflect the intermittent nature of fire services (i.e. fire services were only used in the event of an emergency which may or may not ever occur). Most utilities, however, did not charge capacity fees for fire services or fire suppression system meters but did charge for the costs associated with the physical installation of the fire services lateral pipeline, meter and associated appurtenances.

The City Attorney's Office along with the Public Works Commission and Public Works Liaison Committee concurred with staff's recommendation.

FISCAL IMPACT

The fire capacity fees are already built into the City's domestic Water Capacity Charges and therefore not charging a separate nominal capacity charge for fire capacity fees does not reduce the City's revenue. There is no fiscal impact from this recommendation.


George Chavez
Approved By

Attachment 1

RESOLUTION NO. 16-R-_____

RESOLUTION OF THE COUNCIL OF THE CITY OF
BEVERLY HILLS AMENDING ITS RESOLUTION NO.
15-R-13024 REGARDING THE ESTABLISHMENT OF
A WATER CAPACITY CHARGE

The Council of the City of Beverly Hills does resolve as follows:

Section 1. EXHIBIT A to Resolution No. 15-R-13024 of this Council hereby is amended by adding F. thereto to read as follows:

“F. The water meters referred to in this EXHIBIT A do not include any meter which is installed solely in connection with any fire suppression system and no water capacity charge shall be made based solely upon the installation or modification of any fire suppression system.”

Section 2. Other than as expressly amended hereby, Resolution No. 15-R-13024 and each and every provision contained therein shall remain in full force and effect.

Section 3. The City Clerk shall certify to the adoption of this resolution and shall cause this resolution and its certification to be entered in the Book of Resolutions of the City Council of this City.

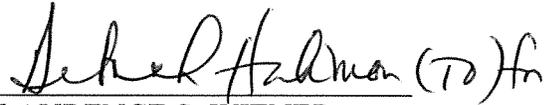
Adopted:

JOHN A. MIRISCH
Mayor of the City of Beverly Hills, California

ATTEST

(SEAL)
BYRON POPE
City Clerk

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

MAHDI ALUZRI
City Manager



DON RHOADS
Chief Financial Officer