

ORDINANCE NO. 2007-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA SETTING WATER AND WASTEWATER CONNECTION FEES, AND CERTAIN OTHER FEES AND CHARGES RELATED TO CITY'S PROVIDING WATER AND WASTEWATER SERVICE

WHEREAS, City recently has completed a study of fees and charges for providing certain water and wastewater services; and

WHEREAS, City's consultant and City Manager are recommending setting such fees and charges at levels that will result in City recovering the reasonable cost of providing the service for which the fee or charge is made; and

WHEREAS, the fees and charges adopted hereby, based on consultant's study and analysis, do indeed reflect, and do not exceed, the estimated reasonable cost of providing the service for which the fees and charges are made; and

WHEREAS, this Council, having reviewed and considered all materials, information, and public input received on the subject, and, all procedural requirements having been satisfied, and being mindful that the City is authorized, pursuant to California Health and Safety Code Sections 5470 et seq. and pursuant to other applicable law to adopt the fees and charges as recommended, desires to so adopt;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The fees, charges, and explanatory text set out in the four exhibits attached hereto and incorporated herein by this reference, described, labeled, and entitled as follows, hereby are approved and adopted:

EXHIBIT A -- City of San Juan Bautista, Water Connection Fee

EXHIBIT B -- City of San Juan Bautista, Wastewater Connection Fee

EXHIBIT C -- City of San Juan Bautista, Miscellaneous Fees

EXHIBIT D -- City of San Juan Bautista, Miscellaneous Fees-Explanation

SECTION 3. Severability. This ordinance and the various parts thereof are hereby declared to be severable. Should any section of this ordinance be declared by a court to be unconstitutional or invalid, such decision shall not affect the validity of the ordinance as a whole, or any portion thereof other than the section, or part thereof, so declared to be unconstitutional or invalid.

SECTION 4. Effective Date. This ordinance shall go into effect sixty (60) days after the date of its adoption.

THE FOREGOING ORDINANCE was first read at a regular meeting of the San Juan Bautista City Council on the 20th day of February, 2007, and was adopted at a regular meeting of the San Juan Bautista City Council on the 17th day of April, 2007, by the following vote:

AYES: **Hill, Dias, Edge, Paradise**

NOES: **None**

ABSENT: **Laverone**

ABSTAIN: **None**

Priscilla J. Hill, Mayor

ATTEST:

Trish Paetz, Deputy City Clerk

APPROVED AS TO FORM:

George Thacher, City Attorney

EXHIBIT A -- City of San Juan Bautista, Water Connection Fee

(summary)

Cost per equivalent residential connection		\$14,223
5/8" - 1" meter	14,223	
1 1/2" meter	18,490	
2" meter	29,868	
3" meter	112,362	
4" meter	142,230	

EXHIBIT A -- City of San Juan Bautista, Water Connection Fee

(full)

Average Cost Method		
Estimated build-out connections		1,000
Total net water system assets ^[1]		\$343,147
Estimated cost of new water project		10,180,000
Other future water system projects ^[2]		<u>3,700,000</u>
Total water facilities		14,223,147
Cost per equivalent residential connection		\$14,223
5/8" - 1" meter	14,223	
1 1/2" meter	18,490	
2" meter	29,868	
3" meter	112,362	
4" meter	142,230	
Current connection fee		\$9,500

Source: City of San Juan Bautista

[1] City Audit June 30, 2005, page 13

[2] Includes distribution system upgrades, upsizing of pipes, new cutoff valves, second reservoir

EXHIBIT B -- City of San Juan Bautista, Wastewater Connection Fee

(summary)

Cost per equivalent residential connection ^[1]	\$3,266
Residential	\$3,266
Commercial/Industrial	
Standard Strength	
Water meter sizes up to 1"	\$3,266
Water meter sizes over 1"	\$3,266 per 227gpd estimated daily discharge ^[2]
Moderate Strength	
Water meter sizes up to 1"	\$4,900
Water meter sizes over 1"	\$4,900 per 227gpd estimated daily discharge ^[2]
High Strength	
Water meter sizes up to 1"	\$6,532
Water meter sizes over 1"	\$6,532 per 227gpd estimated daily discharge ^[2]

[1] Based on average of 227 gallons per day (gpd) residential sewer discharge
(based on December 2004-February 2005 winter water consumption data)

[2] Estimate of discharge by City Engineer

EXHIBIT B -- City of San Juan Bautista, Wastewater Connection Fee

(full)

Average Cost Method	
Estimated build-out connections	1,000
Total net sewer system assets ^[1]	\$1,765,874
Wastewater Capital Improvements	<u>1,500,000</u>
Total wastewater facilities	3,265,874
Cost per equivalent residential connection ^[2]	\$3,266
Residential	\$3,266
Commercial/Industrial	
Standard Strength	
Water meter sizes up to 1"	\$3,266
Water meter sizes over 1"	\$3,266 per 227gpd estimated daily discharge ^[3]
Moderate Strength	
Water meter sizes up to 1"	\$4,900

Water meter sizes over 1"	\$4,900 per 227gpd estimated daily discharge ^[3]
High Strength	
Water meter sizes up to 1"	\$6,532
Water meter sizes over 1"	\$6,532 per 227gpd estimated daily discharge ^[3]

Source: City of San Juan Bautista

[1] City Audit June 30, 2005, page 13

[2] Based on average of 227 gallons per day (gpd) residential sewer discharge
(based on December 2004-February 2005 winter water consumption data)

[3] Estimate of discharge by City Engineer

EXHIBIT C -- City of San Juan Bautista, Miscellaneous Fees

Fee	Fee	Description
Customer Deposit - Water	\$120	Charged to all new customers, twice the estimated amount of average monthly billing. Refund as credit to account after three years, with no bad credit history.
Customer Deposit - Wastewater	\$110	
Fire Hydrant Deposit	\$500	Deposit amount to cover cost of replacement hydrant meter.
Reconnection Fee	\$35	Charged to customers to re-start service, during normal working hours, after they have been shut-off for non-payment.
Call-out Fee, no notice	\$35	Charged to customers who call office and request their water be turned off or on at the meter with less than 48 hours notice to City.
Call-out Fee, after hours	\$75	Charged to customers who call office and request their water be turned off or on after normal working hours.
Collection Charge	10% basic penalty, plus 0.5% penalty for non-payment	Charged to customers who have an outstanding past-due balance.
Administrative Collection Fee	\$20	Assessed to process each shutoff notice and door hanger delivery during collection cycle.
Bad Check Fee (NSF)	\$25	Charged to customers whose check is returned by the bank as uncollected for any reason.
Property Lien Filing Fees	\$45	Charged to customers who are past due and own their property.

EXHIBIT C -- City of San Juan Bautista, Miscellaneous Fees

Fee	Current Fee	Proposed Fee	Description
Customer Deposit - Water	\$100	\$120	Charged to all new customers, twice the estimated amount of average monthly billing. Refund as credit to account after three years, with no bad credit history.
Customer Deposit - Wastewater		\$110	
Fire Hydrant Deposit	\$500	\$500	Deposit amount to cover cost of replacement hydrant meter.
Reconnection Fee	\$25	\$35	Charged to customers to re-start service, during normal working hours, after they have been shut-off for non-payment.
Call-out Fee, no notice	N/A	\$35	Charged to customers who call office and request their water be turned off or on at the meter with less than 48 hours notice to City.
Call-out Fee, after hours	N/A	\$75	Charged to customers who call office and request their water be turned off or on after normal working hours.
Collection Charge	1.5%	10% basic penalty, plus 0.5% penalty for non-payment	Charged to customers who have an outstanding past-due balance.
Administrative Collection Fee	\$10	\$20	Assessed to process each shutoff notice and door hanger delivery during collection cycle.
Bad Check Fee (NSF)	\$25	\$25	Charged to customers whose check is returned by the bank as uncollected for any reason.
Property Lien Filing Fees	N/A	\$45	Charged to customers who are past due and own their property.

EXHIBIT C -- City of San Juan Bautista, Miscellaneous Fees

Fee	Current Fee	Proposed Fee
Customer Deposit - Water	\$100	\$120
Customer Deposit - Wastewater		\$110
Charged to all new customers, twice the estimated amount of average monthly billing. Refund as credit to account after three years, with no bad credit history.		
Fire Hydrant Deposit	\$500	\$500
Deposit amount to cover cost of replacement hydrant meter.		
Reconnection Fee	\$25	\$35
Charged to customers to re-start service, during normal working hours, after they have been shut-off for non-payment.		
Call-out Fee, no notice	N/A	\$35
Charged to customers who call office and request their water be turned off or on at the meter with less than 48 hours notice to City.		
Call-out Fee, after hours	N/A	\$75
Charged to customers who call office and request their water be turned off or on after normal working hours.		
Collection Charge	1.5%	10% basic penalty, plus 0.5% penalty for non-payment
Charged to customers who have an outstanding past-due balance.		
Administrative Collection Fee	\$10	\$20
Assessed to process each shutoff notice and door hanger delivery during collection cycle.		
Bad Check Fee (NSF)	\$25	\$25
Charged to customers whose check is returned by the bank as uncollected for any reason.		
Property Lien Filing Fees	N/A	\$45
Charged to customers who are past due and own their property.		

EXHIBIT D -- City of San Juan Bautista, Miscellaneous Fees-Explanation

Fee

Customer Deposit – Water, Wastewater

A deposit is charged to all new customers. The deposit is refundable after three years with no late payments. Required deposits are twice the amount of estimated billing for the regular billing period for both water and sewer. (Example: average water residential bill: $\$58 \times 2 = \116 , residential sewer bill: $\$58 \times 2 = \116 , combined deposit $\$232$)

Fire Hydrant Deposit

Deposit to cover the cost of replacing a fire hydrant water meter if damaged.

Reconnection Fee

Charged to customers when water service has been shut-off due to non-payment. The fully loaded average cost of a full-time employee (including payroll taxes and fringe benefits) is \$31.00 per hour. Starting or stopping service would consume approximately 1/2 hour of time, per customer, at a labor cost of $\$31.00/2 = \15.50 . When a customer is shut-off for non-payment personnel make one trip to turn the water off and a second trip to turn the water on. $\$15.50 \times 2 = \31.00 .

Call-out Fee, no notice

Charged to customers who call the office and request water service be turned off or on with less than 48 hours notice during normal working hours. No fee will be charged to customers who give the City 48 hours notice.

Call-out Fee, after hours

Charged to customers who call the office and request water service be turned off or on after normal working hours. Call-out fees are generally charged to customers starting service, re-starting service after they temporarily stopped service to make repairs and the repairs were not completed during normal working hours, or emergency shut-off of customer's water service (not City distribution system failures).

Collection Charge

Charged to all delinquent water, sewer and garbage accounts that remain unpaid on the first day of the next month following a delinquency date.

Administrative Collection Fee

Charged to each delinquent customer for office personnel time and supplies used to process a shut-off notice and the delivery of door hangers during each collection cycle. The fully loaded average cost of a full-time employee (including payroll taxes and fringe benefits) is \$31.00 per hour. Fee should be based on 1/2 hour personnel time, $\$31.00/2 = 15.50$.

Bad Check Fee (NSF)

The bank charges \$6.00 for each NSF check. At times the bank will redeposit twice before returning the check, a potential bank fee of \$12.00. Extra office work is needed to reinstate the balance due from the customer.

Property Lien Filing Fees

The San Benito County recorder's office charges \$7 for the first page and \$3 for each additional page, plus \$7 for each notification (each person named on the lien). There is a \$7 charge to file the release of the lien. Paperwork used for both filing the lien and the release of the lien must be notarized. At a minimum, a cost of \$21 would be incurred, plus notary fees of \$10x2, for a total of \$41. Plus the cost of office personnel time to create and file the paperwork with the County recorder's office.

EXHIBIT D -- City of San Juan Bautista, Miscellaneous Fees-Explanation

Fee	
Customer Deposit - Water Customer Deposit - Wastewater	A deposit is charged to all new customers. The deposit is refundable after three years with no late payments. Required deposits are twice the amount of estimated billing for the regular billing period for both water and sewer. (Example: average water residential bill: $\$58 \times 2 = \116 , residential sewer bill: $\$58 \times 2 = \116 , combined deposit $\$232$)
Fire Hydrant Deposit	Deposit to cover the cost of replacing a fire hydrant water meter if damaged.
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Call-out Fee, no notice	Charged to customers who call the office and request water service be turned off or on with less than 48 hours notice during normal working hours. No fee will be charged to customers who give the City 48 hours notice.
Call-out Fee, after hours	Charged to customers who call the office and request water service be turned off or on after normal working hours. Call-out fees are generally charged to customers starting service, re-starting service after they temporarily stopped service to make repairs and the repairs were not completed during normal working hours, or emergency shut-off of customer's water service (not City distribution system failures).
Collection Charge	Charged to all delinquent water, sewer and garbage accounts that remain unpaid on the first day of the next month following a delinquency date.
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