

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ARROYO GRANDE ADOPTING CITY OF ARROYO
GRANDE WATER AND WASTEWATER RATE STUDY;
DIRECTING STAFF TO ISSUE PROPOSITION 218
NOTIFICATIONS; AND DIRECTING STAFF TO SCHEDULE
A PUBLIC HEARING ON MARCH 8, 2022 TO CONSIDER
AMENDING THE WATER AND WASTEWATER RATE
SCHEDULES**

WHEREAS, through a competitive Request for Proposals process, the City of Arroyo grande engaged Tuckfield & Associates to conduct a comprehensive Water and Wastewater Rate Study (Study) for the related enterprise systems; and

WHEREAS, on December 14, 2021, the City Council received information on proposed water and wastewater rates needed to support critical water and wastewater capital projects and operations, maintain fiscal stability within each enterprise system; to support the City's share of the Central Coast Blue project; and to comply with Proposition 218 requirements; and

WHEREAS, the City Council accepts and adopts the Study and its methodology regarding the proposed water and wastewater rates for fiscal years 2022 through 2026.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Arroyo Grande hereby adopts the comprehensive Water and Wastewater Rate Study; directs staff to issue Proposition 218 notifications for the proposed water and wastewater rate schedules set forth in Tables 1 and 2 in the attached Exhibit A for Fiscal Years 2022 through 2026; and directs the City Clerk to schedule a public hearing for March 8, 2022 to consider amending the water and wastewater rate schedules to implement various changes recommended in the Water and Wastewater Rate Study.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 11th day of January, 2022.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

WHITNEY MCDONALD, CITY MANAGER

APPROVED AS TO FORM:

TIMOTHY J. CARMEL, CITY ATTORNEY

EXHIBIT A
Table 1

Proposed Water Fixed and Variable Charges with Central Coast Blue

	Current Rate	April 19, FY 21-22	January 1, FY 22-23	January 1, FY 23-24	January 1, FY 24-25	January 1, FY 25-26
Meter Size	Fixed Charge (\$ per month)					
5/8"	\$29.51	\$27.83	\$29.61	\$31.51	\$33.53	\$35.68
3/4"	\$31.67	\$30.57	\$32.53	\$34.61	\$36.83	\$39.19
1"	\$38.12	\$38.78	\$41.26	\$43.90	\$46.71	\$49.70
1.5"	\$46.73	\$49.73	\$52.91	\$56.30	\$59.90	\$63.73
2"	\$70.41	\$79.83	\$84.94	\$90.38	\$96.16	\$102.31
3"	\$244.74	\$301.53	\$320.83	\$341.36	\$363.21	\$386.46
4"	\$309.31	\$383.64	\$408.19	\$434.31	\$462.11	\$491.69
6"	\$459.96	\$575.23	\$612.04	\$651.21	\$692.89	\$737.23
8"	\$632.14	\$794.19	\$845.02	\$899.10	\$956.64	\$1,017.86
Service Fee per Add'l Unit	\$7.99	\$8.12	\$8.64	\$9.20	\$9.78	\$10.40
Fireline Size						
2"	\$3.74	\$4.40	\$4.84	\$5.32	\$5.64	\$5.64
3"	\$10.88	\$12.79	\$14.07	\$15.48	\$16.41	\$16.41
4"	\$23.18	\$27.25	\$29.98	\$32.98	\$34.96	\$34.96
6"	\$67.33	\$79.16	\$87.08	\$95.79	\$101.54	\$101.54
8"	\$143.48	\$168.69	\$185.56	\$204.12	\$216.37	\$216.37
10"	\$258.03	\$303.37	\$333.71	\$367.08	\$389.10	\$389.10
Variable Charge (\$ per HCF)						
Single-Family						
Tier 1 - 0 to 18 units	\$3.78					
Tier 2 - 19 to 36 units	\$4.16					
Tier 3 - Over 36	\$5.55					
Tier 1 - 0 to 10 units		\$4.06	\$4.32	\$4.60	\$4.89	\$5.20
Tier 2 - 11 to 22 units		\$4.83	\$5.14	\$5.47	\$5.82	\$6.19
Tier 3 - Over 22		\$4.94	\$5.26	\$5.60	\$5.96	\$6.34
Multifamily						
Tier 1 - 0 to 18 units	\$3.78					
Tier 2 - 19 to 27 units	\$4.16					
Tier 3 - Over 27	\$5.55					
Tier 1 - 0 to 10 units		\$4.06	\$4.32	\$4.60	\$4.89	\$5.20
Tier 2 - 11 to 22 units		\$4.83	\$5.14	\$5.47	\$5.82	\$6.19
Tier 3 - Over 22		\$4.94	\$5.26	\$5.60	\$5.96	\$6.34
Commercial	\$3.95	\$4.40	\$4.68	\$4.98	\$5.30	\$5.64
Irrigation	\$4.21	\$4.97	\$5.29	\$5.63	\$5.99	\$6.37
Hydrant	\$6.13	\$7.92	\$8.43	\$8.97	\$9.54	\$10.15
Wheeling	\$2.04	\$2.37	\$2.52	\$2.68	\$2.85	\$3.03

Table 2
Proposed Wastewater Fixed and Variable Charges

	Current Rate	April 19, FY 21-22	January 1, FY 22-23	January 1, FY 23-24	January 1, FY 24-25	January 1, FY 25-26
Fixed Charge (\$ per month)						
All Customers [1]	\$2.40	\$2.62	\$2.84	\$3.08	\$3.34	\$3.62
Variable Charge (\$ per HCF) [2]						
Single-family Residential	\$0.67	\$0.72	\$0.78	\$0.84	\$0.91	\$0.99
Multifamily Residential	\$0.94	\$1.04	\$1.12	\$1.21	\$1.31	\$1.42
Non-Residential	\$1.32	\$1.40	\$1.52	\$1.65	\$1.79	\$1.94