

RESOLUTION NO. 2014-75

A RESOLUTION OF THE LODI CITY COUNCIL SETTING FUTURE
WATER, WASTEWATER, AND SOLID WASTE RATES FOR
RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS

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WHEREAS, the Council of the City of Lodi finds as follows:

1. The City of Lodi provides water supply and wastewater disposal service to its citizens and provides solid waste disposal service through a Franchise Agreement with USA Waste of California, Inc. (Waste Management);
2. The City charges customers of the water and wastewater utilities a charge to fund the on-going operation and maintenance of the water supply and wastewater disposal service;
3. Pursuant to Lodi Municipal Code Section 13.16.110 (Ordinance No. 1709), the schedule of rates for solid waste collection shall be established and adopted by the City Council from time to time by Resolution;
4. Waste Management has requested increases to the current solid waste disposal rates for inflation and increased disposal fees as permitted under its Franchise Agreement;
5. On October 15, 2013, November 6, 2013, December 18, 2013, and March 5, 2014, Council received advisory water, wastewater, and solid waste rates for residential, commercial, and industrial customers, as the City transitions to a metered water system to comply with State law;
6. Staff recommends adopting future adjustments with limits to usage-based and flat water and wastewater rates for residential, multi-family, and non-residential customers as presented in Exhibit A to become effective upon City Council approval of rate increase resolutions at a future date;
7. Staff recommends approval of the Property Owner Meter Charge Schedule for water meters, as presented in Exhibit B;
8. Staff recommends approval of the Waste Management Commercial Compactor Rate schedule, as presented in Exhibit C;
9. The Council directed that notice of a hearing thereon be given to the property owners and water service and wastewater disposal utility customers in the City, with such notice to include, among other matters, the information required to be included pursuant to California law;
10. Pursuant to California Constitution, Article XIII C and Government Code 53755, such notice has been mailed to those property owners and account holders, at least 45 days before the hearing, as evidenced by a Certificate of Mailing on file with the City Clerk;
11. The Council also directed that notice of a hearing thereon be given with such notice to include the information required to be included pursuant to Government Code section 54354.5;
12. Such notice has been published once each week for two weeks, in accordance with Government Code section 54354.5, in the Lodi News-Sentinel as evidenced by Proofs of Publication on file with the City Clerk;
13. On May 7, 2014, the City Council conducted said public hearing, at which time the City Council heard all objections and protests to the proposed usage-based and flat water and wastewater rates for residential, commercial, and industrial customers;
14. Written protests against the proposed usage-based and flat water and wastewater rates and solid waste rates for residential, commercial, and industrial customers were not presented by a majority of the property owners and water, wastewater, and solid waste utility customers; and

15. The proposed usage-based and flat water and wastewater rates and solid waste rates for residential, commercial, and industrial customers are not discriminatory or excessive, are sufficient under Government Code section 54515, comply with the provisions or covenants of any outstanding revenue bonds of the City payable from the revenues of the enterprise, comply with the provisions of Title 5, Division 2, Chapter 6 of the Government Code, and are in compliance with all other applicable law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi as follows:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Levy of Charges. Pursuant to Sections 13.08.010, 13.12.240, and 13.16.110 of the Lodi Municipal Code, the usage-based and flat water and wastewater and solid waste rates for residential, commercial, and industrial customers; the property owner meter charge schedule for water meters; and the Waste Management Commercial Compactor rate schedule, as attached hereto as Exhibits A, B, and C are hereby approved.

Section 3. Future Adjustments. As provided by Government Code Section 53756, the future adjustments shown in Exhibit A may be adopted annually for a period of five years by resolution beginning May 8, 2014 through December 31, 2018 for water, wastewater, and solid waste rates, with Council approval following a public hearing, in an amount not to exceed the smaller of the limits stated in Exhibit A or the percentage change in the Engineering News Record (ENR) Twenty Cities Annual Average Index for water and wastewater or other index as approved by the City Council by resolution. For solid waste rates, the annual adjustment will not exceed either (a) 80 percent of the annual change in the Consumer Price Index for all Urban Consumers for San Francisco-Oakland-San Jose, California area (CPI), All Items (1982 – 84 = 100) published by the Bureau of Labor Statistics, plus an adjustment for extraordinary increases in landfill fees, fuel and energy costs, and changes in law up to 100 percent of the annual change in the CPI, or (b) 100 percent of the annual change in the CPI without those other adjustments but with a certification that Waste Management's costs had increased by more than 100 percent of the change in the CPI. The adjustment shall not be made if it causes rates to exceed the cost of service and Notice of the Adjustment shall be mailed to each account not less than 30 days before the effective date of the adjustment.

Section 4. Effective Date. This resolution shall take effect from and after the date of its passage.

Dated: May 7, 2014

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I hereby certify that Resolution No. 2014-75 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, and Mayor Katzakian

NOES: COUNCIL MEMBERS – Mounce

ABSENT: COUNCIL MEMBERS – Nakanishi

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL-OLSON
City Clerk

**City of Lodi
Current and Proposed Flat Water Rates**

			Future Rate Ceiling				
	Current (Jan. 2013)	Proposed (Jan. 2014)	Proposed (Jan. 2015)	Proposed (Jan. 2016)	Proposed (Jan. 2017)	Proposed (Jan. 2018)	Proposed (Jan. 2019)
	Rate Increase -->	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
FLAT RATES							
<i>Single Family Residential</i>							
1 Bedroom	\$ 29.90	\$ 30.65	\$ 31.57	\$ 32.52	\$ 33.50	\$ 34.51	\$ 35.55
2 Bedroom	\$ 35.91	\$ 36.81	\$ 37.91	\$ 39.05	\$ 40.22	\$ 41.43	\$ 42.67
3 Bedroom	\$ 43.04	\$ 44.12	\$ 45.44	\$ 46.80	\$ 48.20	\$ 49.65	\$ 51.14
4 Bedroom	\$ 51.72	\$ 53.01	\$ 54.60	\$ 56.24	\$ 57.93	\$ 59.67	\$ 61.46
5 Bedroom	\$ 62.03	\$ 63.58	\$ 65.49	\$ 67.45	\$ 69.47	\$ 71.55	\$ 73.70
6 Bedroom	\$ 74.44	\$ 76.30	\$ 78.59	\$ 80.95	\$ 83.38	\$ 85.88	\$ 88.46
<i>Multi-Family (1)</i>							
1 Bedroom	\$ 25.67	\$ 26.31	\$ 27.10	\$ 27.91	\$ 28.75	\$ 29.61	\$ 30.50
2 Bedroom	\$ 30.79	\$ 31.56	\$ 32.51	\$ 33.49	\$ 34.49	\$ 35.52	\$ 36.59
3 Bedroom	\$ 36.94	\$ 37.86	\$ 39.00	\$ 40.17	\$ 41.38	\$ 42.62	\$ 43.90
4 Bedroom	\$ 44.32	\$ 45.43	\$ 46.79	\$ 48.19	\$ 49.64	\$ 51.13	\$ 52.66
<i>Mobile Homes</i>							
Any Size	\$ 25.67	\$ 26.31	\$ 27.10	\$ 27.91	\$ 28.75	\$ 29.61	\$ 30.50
<i>Non-Residential</i>							
Existing unmetered	Varies	+2.5%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, and condominiums.

City of Lodi
Current and Proposed Usage-Based Water Rates

	Current (Jan. 2013)	Proposed (Jan. 2014)	Proposed (Jan. 2014)	Future Rate Ceiling				
				Proposed (Jan. 2015)	Proposed (Jan. 2016)	Proposed (Jan. 2017)	Proposed (Jan. 2018)	Proposed (Jan. 2019)
Rate Increase -->		2.5% (2)	(3)	3.0% (4)	3.0% (4)	3.0%	3.0%	3.0%
USAGE-BASED RATES								
Monthly Service Charge								
Single Family								
Up to 3/4" meter	\$ 23.78	\$ 24.37	\$ 23.26	\$ 22.80	\$ 21.65	\$ 22.30	\$ 22.97	\$ 23.66
1" meter	\$ 38.60	\$ 39.57	\$ 37.38	\$ 36.26	\$ 34.01	\$ 35.03	\$ 36.08	\$ 37.16
1 1/2" meter	\$ 75.42	\$ 77.31	\$ 72.45	\$ 69.63	\$ 64.62	\$ 66.56	\$ 68.56	\$ 70.62
2" meter	\$ 119.79	\$ 122.78	\$ 114.71	\$ 109.84	\$ 101.52	\$ 104.57	\$ 107.71	\$ 110.94
Multi-Family and Non-Residential (1)								
Up to 3/4" meter	\$ 23.78	\$ 24.37	\$ 23.26	\$ 22.80	\$ 21.65	\$ 22.30	\$ 22.97	\$ 23.66
1" meter	\$ 38.60	\$ 39.57	\$ 37.38	\$ 36.26	\$ 34.01	\$ 35.03	\$ 36.08	\$ 37.16
1 1/2" meter	\$ 60.24	\$ 61.75	\$ 62.08	\$ 64.28	\$ 64.62	\$ 66.56	\$ 68.56	\$ 70.62
2" meter	\$ 75.27	\$ 77.15	\$ 84.29	\$ 94.17	\$ 101.52	\$ 104.57	\$ 107.71	\$ 110.94
3" meter	\$ 105.38	\$ 108.01	\$ 132.74	\$ 162.18	\$ 187.65	\$ 193.28	\$ 199.08	\$ 205.05
4" meter	\$ 135.51	\$ 138.90	\$ 193.14	\$ 254.80	\$ 310.67	\$ 319.99	\$ 329.59	\$ 339.48
6" meter	\$ 195.68	\$ 200.57	\$ 333.69	\$ 480.82	\$ 617.94	\$ 636.48	\$ 655.57	\$ 675.24
8" meter	\$ 255.91	\$ 262.31	\$ 494.23	\$ 747.94	\$ 986.82	\$ 1,016.42	\$ 1,046.91	\$ 1,078.32
10" meter	\$ 316.01	\$ 323.91	\$ 674.61	\$ 1,056.08	\$ 1,417.30	\$ 1,459.82	\$ 1,503.61	\$ 1,548.72
Usage Rates (\$/CCF)								
Single Family								
Tier 1 (0-10 CCF)	\$ 0.92	\$ 0.94	\$ 0.94	\$ 0.97	\$ 0.96	\$ 0.99	\$ 1.02	\$ 1.05
Tier 2 (11-50 CCF)	\$ 1.38	\$ 1.41	\$ 1.35	\$ 1.33	\$ 1.27	\$ 1.31	\$ 1.35	\$ 1.39
Tier 3 (>50 CCF)	\$ 1.82	\$ 1.87	\$ 1.76	\$ 1.70	\$ 1.59	\$ 1.64	\$ 1.69	\$ 1.74
Multi-Family and Non-Residential (1)								
All water usage	\$ 0.92	\$ 0.94	\$ 1.00	\$ 1.09	\$ 1.14	\$ 1.17	\$ 1.21	\$ 1.25

Notes:

- (1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
- (2) This schedule includes the proposed indexing of 2.5 percent, with no rate structure changes.
- (3) This rate schedule is revenue neutral relative to the proposed newly indexed January 2014 water rates, but includes the beginning of the proposed 3-year phased changes to the rate structure.
- (4) These rate schedules reflect the second and third year of the 3-year rate structure phasing, as well as the maximum potential rate adjustment due to ENR indexing.

City of Lodi
Current and Proposed Flat Wastewater Rates

	Current (Jul. 2013)	Future Rate Ceiling				
		Proposed (Jul. 2014)	Proposed (Jul. 2015)	Proposed (Jul. 2016)	Proposed (Jul. 2017)	Proposed (Jul. 2018)
Rate Increase -->		3.0%	3.0%	3.0%	3.0%	3.0%
FLAT RATES						
<i>Single Family Residential</i>						
1 Bedroom	\$ 25.83	\$ 26.60	\$ 27.40	\$ 28.22	\$ 29.07	\$ 29.94
2 Bedroom	\$ 34.44	\$ 35.47	\$ 36.53	\$ 37.63	\$ 38.76	\$ 39.92
3 Bedroom	\$ 43.05	\$ 44.34	\$ 45.67	\$ 47.04	\$ 48.45	\$ 49.90
4 Bedroom	\$ 51.66	\$ 53.21	\$ 54.81	\$ 56.45	\$ 58.14	\$ 59.88
5 Bedroom	\$ 60.27	\$ 62.08	\$ 63.94	\$ 65.86	\$ 67.84	\$ 69.88
6 Bedroom	\$ 68.88	\$ 70.95	\$ 73.08	\$ 75.27	\$ 77.53	\$ 79.86
7 Bedroom	\$ 77.49	\$ 79.81	\$ 82.20	\$ 84.67	\$ 87.21	\$ 89.83
<i>Duplexes, Triplexes, Fourplexes, Apartments, and Condominiums</i>						
1 Bedroom	\$ 25.83	\$ 26.60	\$ 27.40	\$ 28.22	\$ 29.07	\$ 29.94
2 Bedroom	\$ 34.44	\$ 35.47	\$ 36.53	\$ 37.63	\$ 38.76	\$ 39.92
3 Bedroom	\$ 43.05	\$ 44.34	\$ 45.67	\$ 47.04	\$ 48.45	\$ 49.90
4 Bedroom	\$ 51.66	\$ 53.21	\$ 54.81	\$ 56.45	\$ 58.14	\$ 59.88
<i>Mobile Homes</i>						
Any Size	\$ 25.83	\$ 26.60	\$ 27.40	\$ 28.22	\$ 29.07	\$ 29.94
<i>Non-Residential (1)</i>						
Per SSU	\$ 34.44	\$ 35.47	\$ 36.53	\$ 37.63	\$ 38.76	\$ 39.92

Notes:

(1) Proposed flat wastewater rates for schools are to be determined on the basis of 18 student per SSU.

City of Lodi
Current and Proposed Usage-Based Wastewater Rates

	Current (Jul. 2013)	Future Rate Ceiling				
		Proposed (Jul. 2014)	Proposed (Jul. 2015)	Proposed (Jul. 2016)	Proposed (Jul. 2017)	Proposed (Jul. 2018)
Rate Increase -->		3.0%	3.0%	3.0%	3.0%	3.0%
USAGE-BASED RATES						
Monthly Service Charge						
Single Family (per DU)	\$ 23.52	\$ 24.23	\$ 24.96	\$ 25.71	\$ 26.48	\$ 27.27
Multi-Family and Non-Residential (1)						
Up to 3/4" meter		\$ 24.23	\$ 24.96	\$ 25.71	\$ 26.48	\$ 27.27
1" meter		\$ 38.83	\$ 39.99	\$ 41.19	\$ 42.43	\$ 43.70
1 1/2" meter		\$ 75.03	\$ 77.28	\$ 79.60	\$ 81.99	\$ 84.45
2" meter		\$ 118.63	\$ 122.19	\$ 125.86	\$ 129.64	\$ 133.53
3" meter		\$ 220.45	\$ 227.06	\$ 233.87	\$ 240.89	\$ 248.12
4" meter		\$ 365.88	\$ 376.86	\$ 388.17	\$ 399.82	\$ 411.81
6" meter		\$ 729.12	\$ 750.99	\$ 773.52	\$ 796.73	\$ 820.63
8" meter		\$ 1,165.18	\$ 1,200.14	\$ 1,236.14	\$ 1,273.22	\$ 1,311.42
Usage Rates (\$/CCF)						
Single Family (2)	\$ 2.68	\$ 2.76	\$ 2.84	\$ 2.93	\$ 3.02	\$ 3.11
Multi-Family (2)		\$ 2.76	\$ 2.84	\$ 2.93	\$ 3.02	\$ 3.11
Non-Residential (2) (3)						
Low Strength		\$ 2.76	\$ 2.84	\$ 2.93	\$ 3.02	\$ 3.11
Medium Strength		\$ 3.45	\$ 3.55	\$ 3.66	\$ 3.77	\$ 3.88
High Strength		\$ 4.49	\$ 4.62	\$ 4.76	\$ 4.90	\$ 5.05
Industrial (4)						
Flow (per MG annually)	\$ 3,487.41	\$ 3,592.03	\$ 3,699.79	\$ 3,810.78	\$ 3,925.10	\$ 4,042.85
BOD (per 1,000 lbs annually)	\$ 575.51	\$ 592.78	\$ 610.56	\$ 628.88	\$ 647.75	\$ 667.18
SS (per 1,000 lbs annually)	\$ 359.85	\$ 370.65	\$ 381.77	\$ 393.22	\$ 405.02	\$ 417.17

Notes:

- (1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
- (2) Usage charge based on winter water use determined as the average from the prior December-February period.
Adjusted each July for each account.
- (3) Placeholder. These rates not yet in use.
- (4) Applies to industrial users discharging into the domestic sewer system.

Exhibit B

Meter Charge Schedule

Meter Size	Price Based (Cost x 1.55)
$\frac{3}{4}$	\$300
1	\$350
1 $\frac{1}{2}$	\$780
2	\$970
3	\$1,980
4	\$3,570
6	\$6,760
8	\$11,520



2/18/2014

**CITY OF LODI
COMMERCIAL COMPACTOR RATES
EFFECTIVE April 1, 2014 TO March 31, 2015**

Commercial Compactor Rates					
Service	1X Week	2X Week	3X Week	4X Week	5X Week
2 Cubic Yard Compactor	\$290.35	\$580.70	\$871.05	\$1,161.40	\$1,451.75
3 Cubic Yard Compactor	\$358.76	\$717.53	\$1,076.29	\$1,435.05	\$1,793.81
4 Cubic Yard Compactor	\$427.73	\$855.45	\$1,283.18	\$1,710.90	\$2,138.63