



AGENDA

CLOVIS CITY COUNCIL

Council Chamber, 1033 Fifth Street, Clovis, CA 93612 (559-324-2060)
www.cityofclovis.com

In compliance with the Americans with Disabilities Act, if you need special assistance to access the City Council Chamber to participate at this meeting, please contact the City Clerk or General Services Director at (559) 324-2060 (TTY – 711). Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the Council Chamber.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at City Hall, in the City Clerk's office, during normal business hours. In addition, such writings and documents may be posted on the City's website at www.cityofclovis.com.

April 11, 2016

6:00 PM

Council Chamber

The City Council welcomes participation at Council Meetings. Members of the public may address the Council on any item of interest to the public that is scheduled on the Agenda. In order for everyone to be heard, please limit your comments to 5 minutes or less.

Meeting called to order by Mayor Magsig
Flag salute led by Councilmember Jose Flores

ROLL CALL

PRESENTATIONS/PROCLAMATIONS

- A. Presentation of Proclamation Supporting Measure C, a local bond to raise funds for State Center Community College District.

PUBLIC COMMENTS (This is an opportunity for the members of the public to address the City Council on any matter within the City Council's jurisdiction that is not listed on the Agenda. In order for everyone to be heard, please limit your comments to 5 minutes or less. Anyone wishing to be placed on the Agenda for a specific topic should contact the City Manager's office and submit correspondence at least 10 days before the desired date of appearance.)

ORDINANCES AND RESOLUTIONS (With respect to the approval of resolutions and ordinances, the reading of the title shall be deemed a motion to waive a reading of the complete resolution or ordinance and unless there is a request by a Councilmember that the resolution or ordinance be read in full, further reading of the resolution or ordinance shall be deemed waived by unanimous consent of the Council.)

CONSENT CALENDAR Consent Calendar items are considered routine in nature and voted upon as one item unless a request is made to give individual consideration to a specific item. (See Attached Consent Agenda.)

1. PUBLIC HEARINGS

- A. Conduct Proposition 218 Hearing Regarding Water Rate Adjustments and Consider Introduction – Ord. 16-____, A request to amend Chapter 6.5 and Chapter 6.8 of Title 6 of the Clovis Municipal Code relating to Water Charges, Fees and Recycled Water Charges (approval requires 4/5 Vote of Council).

2. CITY MANAGER COMMENTS

- A. Provide direction regarding the Proposed Use of Measure C Funds to be advanced to the City of Fresno.

3. COUNCIL ITEMS

- A. Council Comments

ADJOURNMENT

Meetings and Key Issues			
Apr. 18, 2016 (Mon.)	6:00 P.M.	Regular Meeting (Cancelled)	Council Chamber
May 2, 2016 (Mon.)	6:00 P.M.	Regular Meeting	Council Chamber
May 9, 2016 (Mon.)	6:00 P.M.	Regular Meeting	Council Chamber
May 16, 2016 (Mon.)	6:00 P.M.	Regular Meeting	Council Chamber
Jun. 6, 2016 (Mon.)	6:00 P.M.	Regular Meeting	Council Chamber
Jun. 13, 2016 (Mon.)	6:00 P.M.	Regular Meeting	Council Chamber
Jun. 20, 2016 (Mon.)	6:00 P.M.	Regular Meeting	Council Chamber
July 5, 2016 (Tue.)	6:00 P.M.	Regular Meeting	Council Chamber
July 11, 2016 (Mon.)	6:00 P.M.	Regular Meeting	Council Chamber
July 18, 2016 (Mon.)	6:00 P.M.	Regular Meeting	Council Chamber

CONSENT CALENDAR - Items considered routine in nature are to be placed upon the Consent Calendar. They will all be considered and voted upon in one vote as one item unless a Councilmember requests individual consideration. A Councilmember's vote in favor of the Consent Calendar is considered and recorded as a separate affirmative vote in favor of each action listed. Motions in favor of adoption of the Consent Calendar are deemed to include a motion to waive the reading of any ordinance or resolution on the Consent Calendar. For adoption of ordinances, only those that have received a unanimous vote upon introduction are considered Consent items.

A. CITY CLERK

- 1) Approval - Minutes for the April 4, 2016 Council meeting.

B. ADMINISTRATION

- 1) No items.

C. COMMUNITY AND ECONOMIC DEVELOPMENT

- 1) No items.

D. FINANCE

- 1) Receive and File - Investment Report for the month of January 2016.
- 2) Receive and File - Treasurer's Report for the month of January 2016.

E. GENERAL SERVICES

- 1) Approval - Amending the City's FY15-16 Classification, Compensation, and Position Allocation Plans by Approving Res. 16-____, Adopting a Senior Systems Video Analyst Classification and Salary Range; and, Approval - Res. 16-____, Adopting a Systems Video Technician Classification and Salary Range.

F. PLANNING AND DEVELOPMENT SERVICES

- 1) Approval – Bid Award for CIP 15-04, Railroad Avenue Street Improvements; and Authorize the City Manager to execute the contract on behalf of the City.
- 2) Approval – Bid Award for CIP 15-11, Sunnyside Avenue & Third Street Entry Feature to the lowest responsible bidder; and Authorize the City Manager to execute the contract on behalf of the City.
- 3) Approval – Bid Award for CIP 15-17, Local Street Reconstruction 2015; and Authorize the City Manager to execute the contract on behalf of the City.

G. PUBLIC SAFETY

- 1) Receive and File - Police Department Report to Council for February 2016.

H. PUBLIC UTILITIES

- 1) Approval – Authorize Interlocal Contract for Cooperative Purchasing with HGACBuy.

I. REDEVELOPMENT SUCCESSOR AGENCY

- 1) No items.

PROCLAMATION

SUPPORTING MEASURE C

WHEREAS, *Measure C, a local bond to raise funds for State Center Community College District, has been placed on the June 7, 2016 ballot; a professionally guided survey administered by the Board of Trustees shows positive support for Measure C; and*

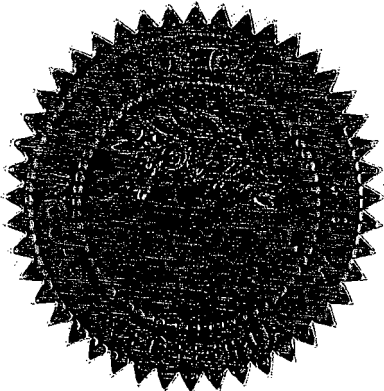
WHEREAS, *Measure C invests in Career Technical Education classrooms, and prepares students with skills needed for today's jobs; Measure C invests in 21st century technology and equipment preparing students for university transfer; and*

WHEREAS, *Measure C will upgrade police and fire academies and provide improved training for paramedics and nurses; Measure C puts local people to work as community college buildings are upgraded and new facilities are constructed; and*

WHEREAS, *Measure C includes strong fiscal accountability including an independent citizens' oversight committee; and Measure C guarantees that no funds will be spent on administrators' salaries and that every penny is spent to protect quality education in our community college.*

NOW THEREFORE, BE IT RESOLVED, *that the City of Clovis Mayor and Councilmembers support Measure C on the June 7, 2016 ballot.*

IN WITNESS THEREFORE, *I hereunto set my hand and cause the official seal of the City of Clovis to be affixed this 11th day of April, 2016.*




Mayor

CLOVIS CITY COUNCIL MEETING

April 4, 2016

6:00 P.M.

Council Chamber

Meeting called to order by Mayor Magsig
Flag Salute led by Councilmember Ashbeck

Roll Call: Present: Councilmembers Ashbeck, Flores, Mayor Magsig
 Absent: Councilmembers Armstrong and Whalen

6:03 ITEM 4A - APPROVED - APPOINTMENTS TO PERSONNEL AND PLANNING COMMISSIONS

Mayor Magsig presented a recommendation for reappoint Diane Staebler and Jose "Jo Jo" Reyes to the Personnel Commission and reappoint Paul Hinkle to the Planning Commission. The appointments would be through May 2020. Paul Hinkle and Jose Reyes, commented and thanked Council for the opportunity to serve on these commissions. Discussion by the Council. Motion by Councilmember Ashbeck, seconded by Councilmember Flores for the Council to reappoint Diane Staebler and Jose "Jo Jo" Reyes to the Personnel Commission and reappoint Paul Hinkle to the Planning Commission through May 2020. Motion carried 3-0-2 with Councilmember's Armstrong and Whalen absent.

6:06 CONSENT CALENDAR

Motion by Councilmember Ashbeck, seconded by Councilmember Flores, that the items on the Consent Calendar, except items B1 and F2 be approved. Motion carried 3-0-2 with Councilmember's Armstrong and Whalen absent.

- A1) Approved - Minutes for the March 21, 2016 Council meeting.
- C1) Approved – Waive the City's Standard Bid Procedure for Contract with Civitas to Design and Manage a Property Based Improvement District (PBID) Implementation Process for Shaw Avenue and Central Clovis.
- F1) Approved – Reject all Bids for CIP 15-11, Sunnyside Avenue and Third Street Entry Feature.
- G1) Received and Filed - Police Department Monthly Report for January 2016.
- H1) Approved - Waive Formal Purchasing Procedures and Authorize a Contract with TESCO Controls Inc. to Provide Professional Services and Software for Upgrading the SWTP SCADA System.
- H2) Approved – Waive the City's Formal Bidding Requirements and Authorize a Service Agreement with Golden Bell Products, Inc. for Manhole Insect Control.
- H3) Received and Filed – Public Utilities Report for January 2016.

- 6:06 CONSENT CALENDAR ITEM B1 - APPROVED – RES. 16-44, CONFIRMING ASSESSMENTS FOR UNPAID ADMINISTRATIVE CITATIONS FOR VIOLATIONS OF CLOVIS MUNICIPAL CODE SECTIONS 5.27.101, 5.27.102 AND 5.27.103, UNLAWFUL PROPERTY RELATED NUISANCES, 162 PEACH AVENUE, CLOVIS, CA, APN NO. 410-361-21

Councilmember Whalen arrived at 6:15 and indicated that he would abstain from discussion on the item due to a potential conflict of interest and left the dais at 6:16.

City Attorney David Wolfe presented a report on a request to confirm assessments for Unpaid Administrative Citations for Violations of Clovis Municipal Code Sections 5.27.101, 5.27.102 and 5.27.103, Unlawful Property Related Nuisances, 162 Peach Avenue, Clovis, CA, APN No. 410-361-21. The Clovis Police Department issued numerous administrative citations to the owner of a residential property located at 162 N. Peach Avenue ("Property") for continued violations of CMC section 5.27.101, 5.27.102 and 5.27.103, Unlawful Property Related Nuisances. The total fines amounted to \$69,700.00, none of which have been paid. Pursuant to the City's Cost Recovery Ordinance (CMC Chapter 5.29), the City may record a lien on the Property for the unpaid Citations upon the City Council's confirmation of the amount of the assessment pursuant to CMC section 5.29.109(c). Catherine Amber, legal counsel for property owner of 162 N. Peach Ave, spoke on behalf of the property owner and requested a continuance of four months. Discussion by the Council. Motion by Councilmember Ashbeck, seconded by Councilmember Flores, for the Council to confirm assessments for unpaid Administrative Citations for Violations of Clovis Municipal Code Sections 5.27.101, 5.27.102 and 5.27.103, Unlawful Property Related Nuisances, 162 Peach Avenue, Clovis, CA, APN No. 410-361-21. Motion carried 3-0-1-1 with Councilmember Armstrong absent and Councilmember Whalen abstaining.

- 6:29 CONSENT CALENDAR ITEM F2 - APPROVED – TEMPORARY STREET CLOSURE OF PORTIONS OF POLLASKY AND BULLARD AVENUES TO HOLD AN URBAN DESIGN EVENT ON MAY 14 AND 15, 2016

Director of Planning and Development Services Dwight Kroll presented a report on a request for a temporary street closure of portions of Pollasky and Bullard Avenues to hold an Urban Design Event on May 14 and 15, 2016. Staff is requesting temporary street closure of portions of Pollasky and Bullard Avenues to hold an urban design event on May 14 and 15, 2016. There are no concerns from adjacent businesses or residents. Since July 1, 2014, the City of Clovis has been working with community members to update the Central Clovis Specific Plan. The City of Clovis has also been working with private developers and the sale and development of two commercial pads located immediately adjacent to Centennial Plaza. To celebrate the finalization of the Central Clovis Specific Plan as well as the official groundbreaking of the two commercial pads, the City of Clovis is planning a design festival. To help demonstrate new ideas for permanent and temporary outdoor dining and entertainment spaces, the Planning and Development Services Department has invited a number of interior designers, architects, engineers, community organizations, students and other groups to design small urban parks to be placed in various locations throughout Old Town.

Centennial Plaza and the area immediately adjacent area will serve as a festival venue and feature live music, food, and other related activities. The event, *Taking it to the Streets*, is experiencing tremendous support from the design community as well as Old Town stakeholders. Staff met internally as well as with Old Town business and property owners. To date there have been no issues or concerns. There being no public comment, Mayor Magsig closed the public portion. Discussion by the Council. Motion by Councilmember Ashbeck, seconded by Councilmember Whalen, for the Council to approve the request for a temporary street closure of portions of Pollasky and Bullard Avenues to hold an Urban Design Event on May 14 and 15, 2016. Motion carried 4-0-1 with Councilmember Armstrong absent.

6:34 ITEM 1A - APPROVED – RES. 16-45, AMENDING THE CITY’S MASTER ADMINISTRATIVE FEE SCHEDULE FOR FIRE DEPARTMENT OPERATIONS, ENFORCEMENT AND INSPECTION ACTIVITIES

Fire Chief Mike Despain presented a report on a request to amend the City’s Master Administrative Fee Schedule for Fire Department Operations, Enforcement and Inspection Activities. The current administrative fee schedule for various operational, enforcement and inspection activities was last updated in 2010. Since that time, changes to the California Fire Code and in local enforcement have occurred. The current schedule no longer accurately reflects the level of actual costs of performing these duties and makes no differentiation between occupancies that achieve compliance versus those that continually draw resources away due to negligence. Using the services of a third party consultant, staff has performed an analysis, developed a fee structure that recovers costs and achieves compliance. There being no public comment, Mayor Magsig closed the public portion. Discussion by the Council. Motion by Councilmember Ashbeck, seconded by Councilmember Whalen, for the Council to approve a resolution amending the City’s Master Administrative Fee Schedule for Fire Department Operations, Enforcement and Inspection Activities. Motion carried 4-0-1 with Councilmember Armstrong absent.

6:54 ITEM 2A1 - ADOPTED - ORD. 16-07, OA2016-01, AMENDING THE CLOVIS DEVELOPMENT CODE AS A SEMI-ANNUAL CLEANUP TO ADDRESS TYPOGRAPHICAL, GRAMMATICAL, AND CONTENT ERRORS, AND TO ADDRESS REQUIREMENTS RELATED TO GROUP HOUSING, INCLUDING THOSE REQUIRED FOR THE GENERAL PLAN HOUSING ELEMENT. CITY OF CLOVIS, APPLICANT. (VOTE 4-0-1 WITH COUNCILMEMBER ARMSTRONG ABSENT.)

Mayor Magsig indicated that this item was on the regular agenda because at introduction on March 21, 2016, was approved 4-0-1 with Councilmember Armstrong absent. Mayor Magsig provided a brief overview. There being no public comment, Mayor Magsig closed the public portion. Discussion by the Council. Motion by Councilmember Flores, seconded by Councilmember Ashbeck, for the Council to adopt Ord. 16-07, OA2016-01, Amending the Clovis Development Code as a semi-annual cleanup to address typographical, grammatical, and content errors, and to address requirements related to group housing, including those required for the

General Plan Housing Element. Motion carried 4-0-1 with Councilmember Armstrong absent.

6:55 ITEM 2B1 - APPROVED – AUTHORIZE THE USE OF RECYCLING LID HOT STAMPS ON NEWLY PRODUCED RESIDENTIAL DISPOSAL CARTS

Solid Waste Manager Eric Zetz presented a report on a request to authorize the use of recycling lid hot stamps on newly produced residential disposal carts. On January 11, 2015 the Garfield Elementary School Robotics Bionic Brains team presented their project on how to improve recycling. City Council provided direction to have the team work with staff and bring this item back to City Council in the near future. Staff has met with the Team and researched the Team's proposed project and has come up with some cost effective changes to the Team's original recommendation and is now recommending that the City pursue white hot stamps to be placed on all future disposal cart orders made by the City. Staff is recommending the City Council to authorize City the use of recycling hot stamps to be used on newly produced residential disposal carts. Representatives of the Garfield Elementary School Robotics Bionic Brains team commented on the hot stamps. Discussion by the Council. Motion by Councilmember Ashbeck, seconded by Councilmember Flores, for the Council to authorize the use of recycling lid hot stamps on newly produced residential disposal carts. Motion carried 4-0-1 with Councilmember Armstrong absent.

7:06 – ITEM 4B - APPROVED – CHANGE OF COUNCIL MEETING SCHEDULE

City Manager Rob Woolley indicated that staff was recommending the City Council to approve the cancellation of the regular Council meeting scheduled for Monday, April 18 at the Council Chamber at 6:00 p.m. Mayor Magsig and Councilmember Ashbeck will not be able to attend the Council meeting scheduled for April 18 because they will be in Washington DC attending the One Voice meetings. Councilmember Armstrong will not be able to attend the Council meeting due to medical reasons. Therefore, since there will not be a quorum, the meeting will need to be canceled. There being no public comment, Mayor Magsig closed the public portion. Discussion by the Council. Motion by Councilmember Ashbeck, seconded by Councilmember Flores, for the Council to approve the cancellation of the regular Council meeting scheduled for Monday, April 18 at the Council Chamber at 6:00 p.m. Motion carried 4-0-1 with Councilmember Armstrong absent.

7:07 ITEM 4C - APPROVED APPOINTMENT TO THE FRESNO-CLOVIS METROPOLITAN SOLID WASTE COMMISSION

Mayor Magsig reported out on a recent meeting of the Fresno-Clovis Metropolitan Solid Waste Commission. Mayor Magsig indicated that Councilmember Whalen is the alternate and is unable to attend the meetings due to his work schedule and requested another councilmember act as his alternate. There being no public comment, Mayor Magsig closed the public portion. Discussion by the Council. Motion by Councilmember Flores, seconded by Councilmember Whalen, for the Council to appoint Councilmember Ashbeck as alternate to Mayor Magsig on the Fresno-Clovis Metropolitan Solid Waste Commission. Motion carried 4-0-1 with Councilmember Armstrong absent.

7:09 ITEM 4D - COUNCIL COMMENTS

Councilmember Ashbeck requested staff look into the landscaping at the Trading Post Shopping Center near Sprouts.

Councilmember Whalen commented on the Landscape Maintenance District (LMD) informational flyer that went out and raised concerns with using tax payer dollars on a proposed increase in LMD fees.

ADJOURNMENT

Mayor Magsig adjourned the meeting of the Council to April 11, 2016

Meeting adjourned: 7:14 p.m.

Mayor

City Clerk



AGENDA ITEM NO: **CC-D-1**

City Manager: rw

CITY OF CLOVIS REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Finance Department

DATE: April 11, 2016

SUBJECT: Receive and File - Investment Report for the Month January 2016

Exhibits:

- (A) Distribution of Investments
- (B) Monthly Investment Transactions
- (C) Certificates of Deposit
- (D) Graph of January 31, 2016 Treasury Rates

Attached is the Investment Report for the month of January 2016. Shown in Exhibit A is the distribution of investments which lists all the individual securities owned by the City with the book and market values. Book value is the actual price paid for the investment. Market value is the amount that the investment is worth if sold in the open market. The market value (which fluctuates daily) that is used in the report is as of the last working day of the month. Exhibit B reflects the monthly investment transactions for the month of January 2016. Exhibit C lists the certificates of deposit. Exhibit D is a graph of Treasury rates on January 31, 2016.

The investment of the City's funds is performed in accordance with the adopted Investment Policy. Funds are invested with the following objectives in mind:

1. Assets are invested in a manner consistent with the safeguards and diversity that a prudent investor would adhere to.
2. The portfolio is invested in a manner consistent with the primary emphasis on preservation of the principal, while attaining a high rate of return consistent with this guideline. Trading of securities for the sole purpose of realizing trading profits is prohibited.
3. Sufficient liquidity is maintained to provide a source for anticipated financial obligations as they become due.

4. Investments may be made, consistent with the Investment Policy Guidelines, in fixed income securities maturing in three years or less and can be extended to five years with the City Manager's approval.

The Finance Department invests the City's assets with an expectation of achieving a total rate of return at a level that exceeds the annualized rate of return on short-term government guaranteed or insured obligations (90 day Treasury bills) and to assure that the principal is preserved with minimal risk of depreciation or loss. In periods of rising interest rates the City of Clovis portfolio return may be less than that of the annualized 90 day Treasury bill. In periods of decreasing interest rates, the City of Clovis portfolio return may be greater than the annualized 90 day Treasury bill. The current 90 day Treasury bill rate (annualized) is 0.09%. The rate of return for the City of Clovis portfolio is 0.48%. The goal for the City of Clovis investment return is 120% of the 90 day Treasury bill rate. The current rate of return is 539% of the Treasury bill rate.

In accordance with the Investment Policy the investment period on each investment does not exceed three years and can be extended to five years with the City Manager's approval. As of January 2016 the average investment life of the City's investment portfolio is 0.76 years.

Current Investment Environment and Philosophy

During the month of January 2016 the Federal Reserve did not adjust the federal funds rate and it remained at 0.25 - 0.50%.

On January 31, 2016 the Treasury yield curve shows a steady increase in yields for three month treasuries through six month treasuries. As the holding period extended out beyond six months higher yields are realized.

Certificates of Deposit (CD's)

The city purchases both negotiable and non-negotiable Certificates of Deposit (CD's). Although negotiable CD's can be traded, it is the City's policy to buy and hold all CD's. Negotiable CD's are held by U.S. Bank, a third party custodian. Non-negotiable CD's are held in the City's safe.

Purchases and Maturities

- \$3,000,000 of government securities was purchased.
- \$3,000,000 of government securities were called or matured.
- 2 certificates of deposit totaling \$489,938.75 were purchased.
- 2 certificates of deposit totaling \$490,000.00 matured.

Market Environment

- During January, the federal funds rate was maintained at .25% - .50%.
- On January 31, the yield curve increased steadily for shorter term treasuries (through six months) and shows larger increases beyond six month treasuries. See Exhibit D, Graph of Treasury Rates on January 31, 2016.

Prepared by: Haley Lynch, Interim Deputy Finance Director
Submitted by: Jamie Hughson, Finance Director

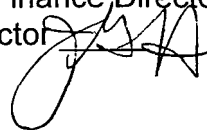


Exhibit A

**CITY OF CLOVIS
DISTRIBUTION OF INVESTMENTS
AS OF JANUARY 31, 2016**

	<u>COST</u>	<u>NET BOOK VALUE</u>	<u>MARKET VALUE *</u>	<u>YIELD TO MATURITY</u>	<u>STATED INTEREST RATE</u>	<u>INVEST DATE</u>	<u>MATURITY DATE</u>	<u>DAYS TO MATURITY FROM 1/31/2016</u>
<u>GOV'T SECURITIES</u>								
FHLMC	3,002,040	3,002,040	3,000,210	0.400%	0.400%	07/02/15	05/27/16	117
FFCB	2,999,163	2,999,163	2,997,780	0.450%	0.450%	04/23/15	09/16/16	229
FFCB	2,001,120	2,001,120	2,004,340	0.480%	0.480%	05/19/15	10/19/16	262
FHLMCMTN	3,010,053	3,010,053	3,008,220	1.000%	1.000%	12/01/15	03/08/17	433
FHLMC	3,000,000	3,000,000	3,000,060	0.800%	0.800%	05/12/15	05/12/17	467
FHLMC	3,007,944	3,007,944	3,010,410	1.000%	1.000%	12/01/15	07/28/17	575
FHLB	3,015,870	3,015,870	3,014,910	1.125%	1.125%	07/02/15	12/08/17	677
FFCB	3,000,000	3,000,000	3,000,060	1.070%	1.070%	02/12/15	02/12/18	743
FFCB	1,000,000	1,000,000	1,001,140	1.080%	1.080%	04/13/15	04/13/18	803
FNMA	2,998,479	2,998,479	2,996,010	0.875%	0.875%	09/29/15	05/21/18	841
FHLB	3,000,000	3,000,000	3,000,030	1.140%	1.140%	09/29/15	09/28/18	971
FFCB	3,000,000	3,000,000	3,001,620	1.530%	1.530%	01/07/16	01/07/19	1,072
SECURITIES TOTAL	\$ 33,034,669	\$ 33,034,669	\$33,034,790					
LAIF		\$ 50,012,183	\$ 50,012,183					
MONEY MARKET		\$ 9,691,963	\$ 9,691,963					
PREMIUM-IOC		\$ 899	\$ 899					
TOTAL CD'S		\$ 17,214,000	\$ 17,212,288					
TOTAL INVESTMENTS		\$ 109,953,714	\$ 109,952,123					

* Market values for securities obtained from BNY Western Trust Company

**CITY OF CLOVIS
MONTHLY INVESTMENT TRANSACTIONS
FOR THE MONTH OF JANUARY 2016**

Exhibit B

Institution	Description	Activity	Amount	Market Value	Rate	Activity Date	Maturity Date
FFCB	Gov't Security	Purchase	3,000,000	3,000,000	1.530%	01/07/16	01/07/19
Beal Bank	CD	Maturity	(245,000)	(245,000)	0.350%	01/13/16	01/13/16
Union Bank	Premium IOC	Interest	0			01/31/16	
Apple Bk	CD	Purchase	245,000	245,000	1.000%	01/13/16	07/13/17
Goldman Sachs BK	CD	Purchase	245,000	245,000	1.750%	01/13/16	01/14/19
First Merit	CD	Maturity	(245,000)	(245,000)	0.400%	01/25/16	01/25/16
FHLMCMTN	Gov't Security	Full Call	(3,000,000)	(3,000,000)	1.250%	01/27/16	07/28/18
Union Bank	LAIF	Interest	46,245			01/15/16	

PORTFOLIO DATA

Current Month (01/16)

	Book	Market
CD'S	\$ 17,214,000	\$ 17,212,288
Gov't Securities*	33,034,669	33,034,790
LAIF	50,012,183	50,012,183
Money Market	9,691,963	9,691,963
Premium IOC	899	899
TOTAL	\$ 109,953,714	\$ 109,952,123

One Month Previous (12/15)

	Book	Market
CD'S	\$ 17,214,000	\$ 17,167,735
Gov't Securities*	33,034,669	32,914,630
LAIF	49,965,938	49,965,938
Money Market	9,691,963	9,691,963
Premium IOC	899	899
TOTAL	\$ 109,907,469	\$ 109,741,164

Three Months Previous (10/15)

	Book	Market
CD'S	\$ 17,684,000	\$ 17,689,119
Gov't Securities*	27,016,672	27,019,770
LAIF	49,965,938	49,965,938
Money Market	9,691,963	9,691,963
Premium IOC	899	899
TOTAL	\$ 104,359,471	\$ 104,367,688

Six Months Previous (07/15)

	Book	Market
CD'S	\$ 17,800,000	\$ 17,777,677
Gov't Securities*	38,018,093	37,999,240
LAIF	49,925,739	49,925,739
Money Market	9,691,963	9,691,963
Premium IOC	11,001,963	11,001,963
TOTAL	\$ 126,437,758	\$ 126,396,582

One Year Previous (01/15)

	Book	Market
CD'S	\$ 11,470,000	\$ 11,452,570
Gov't Securities*	35,238,750	35,275,095
LAIF	49,858,498	49,858,498
Money Market	9,691,963	9,691,963
Premium IOC	7,000,706	7,000,706
TOTAL	\$ 113,259,916	\$ 113,278,832

*Adjusted Quarterly for Premium/Discount Amortization

Exhibit C

CITY OF CLOVIS
CERTIFICATES OF DEPOSIT
AS OF JANUARY 31, 2016

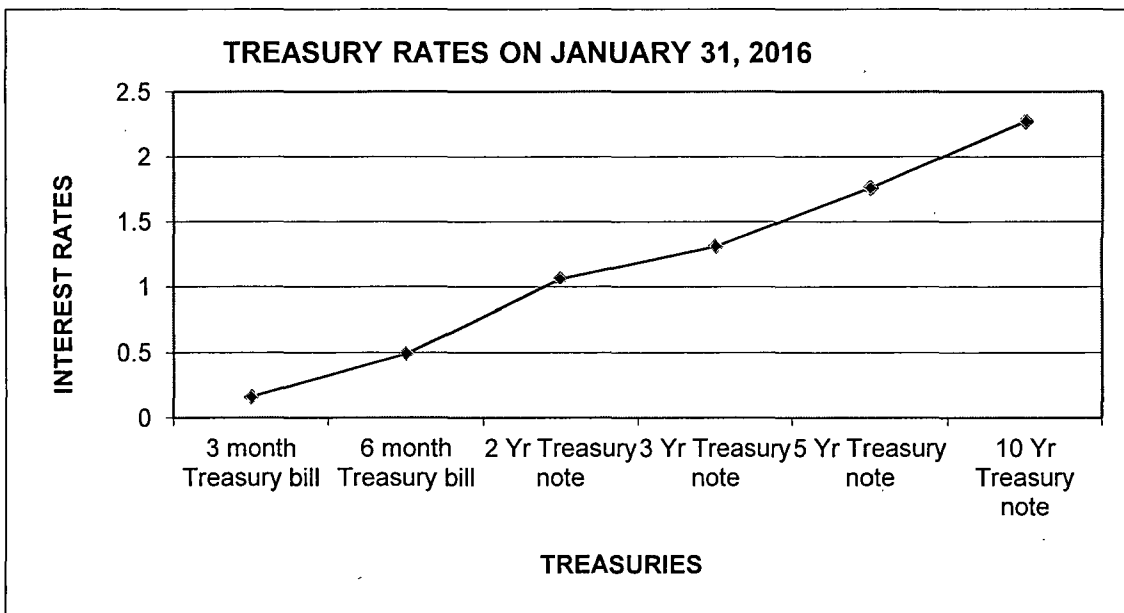
Negotiable CDs	COST	MARKET PRICE	INTEREST RATE	INVEST DATE	MATURITY DATE	MATURITY FROM 01/31/16
ASHEVILLE SAVINGS BANK	245,000	245,007	0.550%	02/28/13	02/29/16	29
PINNACLE BANK OF SOUTH CAROLINA	245,000	245,000	0.500%	02/28/13	02/29/16	29
GREENFIELD SAVINGS	245,000	244,956	0.300%	05/08/15	03/07/16	36
MIZUHO BANK	245,000	244,941	0.400%	07/01/15	04/01/16	61
AVIDBANK	245,000	244,941	0.400%	04/15/15	04/15/16	75
DISCOVER BK GREENWOOD DEL CTF	245,000	245,135	0.750%	05/08/13	05/09/16	99
AMX CENTURION BK CTF DEP	245,000	245,132	0.750%	05/09/13	05/09/16	99
MEDALLION BANK	245,000	245,392	1.000%	06/28/13	06/28/16	149
NORTHVIEW BANK	245,000	244,951	0.450%	06/29/15	06/29/16	150
TCF NATIONAL	245,000	244,949	0.450%	07/01/15	07/01/16	152
STEARNS BANK	245,000	244,946	0.500%	07/01/15	07/01/16	152
ALLYBANK (GMATBK)	245,000	245,576	1.050%	07/17/13	07/18/16	169
NEEDHAM BANK	245,000	245,120	0.750%	08/13/14	08/15/16	197
USNY BANK GENEVA	245,000	244,885	0.450%	05/26/15	08/26/16	208
PARK NATIONAL BANK	245,000	245,010	0.900%	09/19/14	09/19/16	232
G E CAPITAL RETAIL BANK	245,000	245,762	1.200%	10/11/13	10/11/16	254
COMENITY CAPITAL BANK	245,000	245,811	1.100%	10/15/13	10/17/16	260
CIT BANK	240,000	240,857	1.250%	10/30/13	10/31/16	274
GRUNDY NATIONAL	245,000	245,020	0.800%	08/19/14	11/21/16	295
FIDELITY BANK	245,000	244,748	0.550%	05/21/15	11/21/16	295
MERCANTILE	245,000	245,211	1.000%	12/17/14	12/19/16	323
MB FINANCIAL	245,000	244,824	0.700%	06/29/15	12/29/16	333
FIRST NATIONAL BANK	245,000	245,157	0.800%	07/16/14	01/17/17	352
UNITED REP BANK	245,000	244,706	0.550%	05/29/15	01/30/17	365
COMPASS BANK	245,000	245,568	1.000%	02/26/14	02/27/17	393
BAR HARBOR BANK	245,000	244,811	0.750%	06/30/15	02/28/17	394
FIRST CITY BANK OF COMMERCE	245,000	245,059	1.000%	07/25/14	03/24/17	418
UNITED	245,000	244,743	0.650%	07/15/15	04/17/17	442
MINNESOTA NATIONAL	245,000	244,743	0.800%	07/15/15	04/17/17	442
TRADITION CAPITA	245,000	244,743	0.800%	07/17/15	04/17/17	442
BARCLAYS BANK	245,000	245,470	1.050%	04/15/14	04/18/17	443
NBT BANK	245,000	245,353	1.000%	05/14/14	05/15/17	470
FRANKLIN SYNERGY	245,000	244,723	0.900%	07/17/15	05/17/17	472
MERRICK BANK	245,000	245,118	0.900%	06/11/14	06/12/17	498
NORTHBROOK BANK AND TRUST	245,000	245,051	1.000%	06/27/14	06/27/17	513
FIRSTTRUST	245,000	244,799	1.000%	06/30/15	06/30/17	516
APPLE BK	245,000	244,939	1.000%	01/13/16	07/13/17	529
EVERBANK	230,000	230,552	1.250%	06/24/14	07/17/17	533
BANK HAPOALIM	245,000	245,132	1.150%	07/17/14	07/17/17	533
AMERICAN EXPRESS	245,000	245,333	1.200%	08/07/14	08/07/17	554
CUSTOMER'S BANK	245,000	245,784	1.350%	09/10/14	09/11/17	589
CAMBRIDGE TRUST	245,000	244,765	1.050%	07/22/15	09/22/17	600
CAPITAL ONE BANK	245,000	244,757	1.350%	10/01/14	10/02/17	610
PINNACLE BANK SCOTTSDALE	245,000	245,081	1.100%	10/30/14	10/30/17	638
DOLLAR BANK FED	245,000	244,998	1.200%	11/17/14	11/17/17	656
BANKUNITED	245,000	244,934	1.200%	11/21/14	11/21/17	660
FLUSHING BANK	245,000	245,054	1.300%	12/12/14	12/12/17	681
CATHAY BANK	245,000	245,061	1.150%	07/07/15	12/29/17	698
GUARANTY BANK	245,000	243,180	0.900%	05/15/15	01/16/18	716
MERCANTILE	245,000	243,792	1.050%	01/30/15	01/30/18	730
BANK OF NORTH CAROLINA	245,000	244,584	1.250%	02/27/15	02/27/18	758
JP MORGAN CHASE	245,000	245,637	1.200%	02/27/15	02/27/18	758
CONNECTONE BANK	245,000	245,267	1.150%	03/13/15	03/13/18	772
WEBBANK CORP	245,000	244,152	1.200%	03/27/15	03/27/18	786
PEOPLES UNITED	245,000	243,229	1.050%	04/15/15	04/16/18	806
INVESTORS BANK	245,000	244,944	1.100%	04/30/15	04/30/18	820
YADKIN BANK	245,000	244,351	1.050%	05/08/15	05/08/18	828
WORLDS FOREMOST	200,000	199,214	1.300%	05/13/15	05/14/18	834
B-BAY LLC PROMI	245,000	243,983	1.300%	05/22/15	05/22/18	842
COMMERCE BANK	245,000	243,777	1.250%	06/18/15	06/18/18	869
FIRST COMMERCIAL	245,000	243,719	1.250%	06/26/15	06/26/18	877
ENERBANK	245,000	245,051	1.400%	07/14/15	07/13/18	894
WELCH STATE BANK	245,000	245,027	1.350%	07/17/15	07/17/18	898
CAPITAL ONE BANK	245,000	245,537	1.650%	07/29/15	07/30/18	911
ORRSTOWN BANK	245,000	244,598	1.450%	08/14/15	08/14/18	926
FIRST BUSINESS	245,000	246,068	1.400%	08/18/15	08/17/18	929
BUCKS COUNTY BANK	245,000	246,017	1.300%	08/31/15	08/31/18	943
WASHINGTON COUNTY	129,000	129,517	1.250%	09/23/15	09/24/18	967
KEY BANK	245,000	245,686	1.300%	11/12/15	11/13/18	1,017
WELLS FARGO BANK	245,000	245,353	1.400%	11/12/15	11/13/18	1,017
GOLDMAN SACHS BK	245,000	245,000	1.750%	01/13/16	01/14/19	1,079
Negotiable CD TOTAL	\$ 17,214,000	\$17,212,288				
CD TOTAL	\$ 17,214,000	\$17,212,288				

**CITY OF CLOVIS
FINANCE DEPARTMENT
JANUARY 31, 2016 TREASURY RATES**

Exhibit D

Treasury Rates as of January 31, 2016

3 month Treasury bill	0.33
6 month Treasury bill	0.43
2 Yr Treasury note	0.76
3 Yr Treasury note	0.97
5 Yr Treasury note	1.33
10 Yr Treasury note	1.94



As indicated in the above graph, 6 month treasuries are yielding a slightly higher interest rate than 3 month treasuries. Longer term treasuries are yielding a higher interest rate than shorter term treasuries.



AGENDA ITEM NO: **CC-D-2**

City Manager: *Red*

CITY OF CLOVIS REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Finance Department

DATE: April 11, 2016

SUBJECT: Receive and File - Treasurer's Report for the Month of January 2016

ATTACHMENTS: (A) Statement of Cash Balances
(B) Summary of Investment Activity
(C) Investments with Original Maturities Exceeding One Year

Attached for the Council's information is the Treasurer's Report for the month ended **January 31, 2016**.

Pursuant to Section 41004 of the Government Code of the State of California, the City Treasurer is required to submit a monthly report of all receipts, disbursements and fund balances. The first page of the report provides a summary of the beginning balance, total receipts, total disbursements, ending balance for all funds, and a listing, by fund, of all month end fund balances. The second page of the report summarizes the investment activity for the month and distribution, by type of investment, held by the City. The third page lists all investments with original maturities exceeding one year as of the month ended **January 31, 2016**.

**CITY OF CLOVIS
STATEMENT OF CASH BALANCES
AS OF JANUARY 31, 2016**

Previous Balance	\$ 22,108,105.26
Deposits	22,557,109.35
Disbursements	<u>(10,465,765.36)</u>
Current Balance	<u><u>\$ 34,199,449.25</u></u>

<u>FUNDS</u>	<u>BALANCE</u>
100 General Fund	\$ 5,047,831.68
201 Local Transportation	10,541,890.54
202 Parking and Business Improvements	73,908.26
203 Off Highway Use	66,122.53
205 Senior Citizen Memorial Trust	49,174.69
207 Landscape Assessment District	2,135,633.74
208 Blackhorse III (95-1) Assessment District	101,436.83
275 HCD Block Grant Fund	220,893.92
301 Park & Recreation Acquisition	3,721,866.14
305 Refuse Equipment Reserve	1,591,408.92
310 Special Street Deposit Fund	15,546,001.00
313 Successor Agency	(978,675.69)
314 Housing Successor Agency	625,902.59
402 1976 Fire Bond Redemption	25,591.17
404 1976 Sewer Bond Redemption Fund	380,984.71
501 Community Sanitation Fund	12,896,345.58
502 Sewer Service Fund	28,745,519.39
504 Sewer Capital Projects-Users	1,304,723.46
506 Sewer Capital Projects-Developer	(3,566,001.08)
507 Water Service Fund	27,002,331.46
508 Water Capital Projects-Users	3,051,630.68
509 Water Capital Projects-Developer	1,585,855.39
515 Transit Fund	1,089,108.24
540 Planning & Development Services	6,855,397.98
601 Property & Liability Insurance	706,362.93
602 Fleet Maintenance	8,671,000.73
603 Employee Benefit Fund	6,815,636.05
604 General Government Services	7,069,417.99
701 Curb & Gutter Fund	148,813.61
702 Sewer Revolving Fund	119,256.40
703 Payroll Tax & Withholding Fund	1,810,058.54
712 Temperance/Barstow Assmt Dist (98-1)	70,663.21
713 Shepherd/Temperance Assmt Dist (2000-1)	148,530.95
715 Supp Law Enforcement Serv	53,299.72
716 Asset Forfeiture	7,720.02
720 Measure A-Public Safety Facility Tax	327,966.62
736 SA Admin Trust Fund	1,420.53
741 SA Debt Service Trust Fund	86,934.46
747 Housing Successor Trust Fund	1,137.98
SUBTOTALS	<u>\$ 144,153,101.87</u>
999 Invested Funds	<u>(109,953,652.62)</u>
TOTAL	<u><u>\$ 34,199,449.25</u></u>

**CITY OF CLOVIS
SUMMARY OF INVESTMENT ACTIVITY
FOR THE MONTH OF JANUARY 2016**

<u>Balance of Investments Previous Month End</u>	<u>\$ 109,907,468.59</u>
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Time Certificates of Deposit Transactions

Investments	489,938.75
Withdrawals	<u>(490,000.00)</u>
Total CD Changes	(61.25)

Other Changes

Government Securities	0.00
US Treasury Notes	0.00
Local Agency Investment Fund	46,245.27
Money Market	0.00
UBOC-Premium IOC	<u>0.01</u>
Total Other Changes	<u>46,245.28</u>

Balance of Investments Current Month End	<u>\$ 109,953,652.62</u>
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**CITY OF CLOVIS
DISTRIBUTION OF INVESTMENTS
AS OF JANUARY 31, 2016**

Insured CD's	17,213,938.75
Government Securities	33,034,669.00
Local Agency Investment Fund	50,012,183.23
US Treasury Notes	0.00
Medium Term Notes	0.00
Money Market	9,691,962.83
UBOC-Premium IOC	<u>898.81</u>
Investment Total	<u>\$ 109,953,652.62</u>

**CITY OF CLOVIS
ORIGINAL MATURITIES EXCEEDING ONE YEAR
AS OF JANUARY 31, 2016**

Institution	Face Value	Investment Balance At Amortized Cost	Maturity	Stated Rate
FFCB-GOVT SEC	\$3,000,000	\$3,000,000	02/12/18	1.070%
FFCB-GOVT SEC	\$1,000,000	\$1,000,000	04/13/18	1.080%
FFCB-GOVT SEC	\$3,000,000	\$2,999,163	09/16/16	0.450%
FHLMC-GOVT SEC	\$3,000,000	\$3,000,000	05/12/17	0.800%
FFCB-GOVT SEC	\$2,000,000	\$2,001,120	10/19/16	0.480%
FHLMC-GOVT SEC	\$3,000,000	\$3,002,040	05/27/16	0.400%
FHLB-GOV SEC	\$3,000,000	\$3,015,870	12/08/17	1.125%
FNMA-GOVT SEC	\$3,000,000	\$2,998,479	05/21/18	0.875%
FHLB-GOVT SEC	\$3,000,000	\$3,000,000	09/28/18	1.140%
FHLMC-GOVT SEC	\$3,000,000	\$3,007,944	07/28/17	1.000%
FHLMCMTN-GOVT SEC	\$3,000,000	\$3,010,053	03/08/17	1.000%
FFCB-GOVT SEC	\$3,000,000	\$3,000,000	01/07/19	1.530%



- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: General Services Department

DATE: April 11, 2016

SUBJECT: Approval - Amending the City's FY15-16 Classification, Compensation, and Position Allocation Plans by Approving Res. 16-____, Adopting a Senior Systems Video Analyst Classification and Salary Range; and, Approving Res. 16-____, Adopting a Systems Video Technician Classification and Salary Range

- ATTACHMENTS:
- 1) Resolution 16-____; Adopting a Senior Systems Video Analyst Classification and Salary Range
 - 2) Resolution 16-____; Adopting a Systems Video Technician Classification and Salary Range
 - 3) Exhibit A - Senior Systems Video Analyst Classification
 - 4) Exhibit B - Systems Video Technician Classification
 - 5) Exhibit C - Position Allocation Adjustment by Department

CONFLICT OF INTEREST

None

RECOMMENDATION

Approve Resolution 16-____; establishing a Senior Systems Video Analyst classification with a salary range of \$6,170.00 to \$7,500.00 per month; Resolution 16 - ____; establishing a Systems Video Technician classification with a salary range of \$3,855.00 to \$4,686.00 per month; and, modify the City's FY15-16 Classification, Compensation, and Position Allocation Plans by adopting the classifications.

EXECUTIVE SUMMARY

The Police Department has a need to add two (2) new classifications to the Support Services Division. It has been determined that adding one (1) Senior Systems Video Analyst and one (1) Systems Video Technician is necessary in order to support the expanding video monitoring systems managed by the Police Department. The new classifications will be responsible for designing, installing, operating, maintaining, and providing technical support services for the City's video camera systems and other

technical systems. Modification of the City's Classification, Compensation, and Position Allocation Plans require the City Council's approval.

BACKGROUND

The Police Department has recently evaluated the needs of the Department Support Services Division and has identified the need to add two (2) technical support service positions. Currently, the functions of the proposed positions have been performed by the Communications Supervisor and one (1) contract employee. The Communications Supervisor has expressed plans to retire in the near future and the contracted position will need to be replaced with a full-time position in order to keep pace with work demands. The workload demands of video camera monitoring systems and the attendant technical support functions (including network administration, system administration, communications infrastructure, strategic system technical support, and end user applications) has increased significantly over recent years.

The proposed Senior Systems Video Analyst classification will provide the more advanced and professional technical support services, while the Systems Video Technician will provide entry-level technical support services. The addition of two (2) new classifications will provide sufficient staffing for the increasing workload.

It is recommended that the two (2) new classifications be assigned to the Clovis Public Safety Employees Association (CPSEA) bargaining unit for employee representation. CPSEA representatives are supportive of the assignment of these classifications to the CPSEA employee bargaining unit.

FISCAL IMPACT

If approved, it is expected that the positions will be filled on or about May 1, 2016. The fiscal impact in FY 15-16 for the two (2) new classifications will be approximately \$14,572.00, for one (1) remaining month in FY15-16. There is sufficient funding in the Police Department budget to cover the costs.

REASON FOR RECOMMENDATION

The Police Department has a need for these technically-based classifications in order to provide technical support services in designing, installing, operating, and maintaining the City's video camera monitoring systems. Modification of the City's Classification, Compensation, and Position Allocation Plans require the City Council's approval.

ACTIONS FOLLOWING APPROVAL

Personnel Division staff will include the new classification specifications in the City's existing Classification and Compensation Plans. The Police Department's Position Allocation Plan will be modified as noted in Exhibit C attached.

Prepared by: Melissa Paminto, Management Analyst

Submitted by: Robert K. Ford, General Services Director



RESOLUTION 16- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS APPROVING
AMENDMENTS TO THE CITY'S CLASSIFICATION, COMPENSATION, AND
POSITION ALLOCATION PLANS BY ADOPTING A SENIOR SYSTEMS VIDEO
ANALYST CLASSIFICATION**

The City Council of the City of Clovis resolves as follows:

WHEREAS, a staffing need exists in the Police Department to provide additional technical support to the Department Support Division; and,

WHEREAS, it has been determined that adoption of a Senior Systems Video Analyst classification will meet this need; and,

WHEREAS, it has been determined that the appropriate salary range for the Senior Systems Video Analyst classification is \$6,170.00 to \$7,500.00 per month; and,

WHEREAS, it has been determined that it is appropriate to assign the Senior Systems Video Analyst classification to the Clovis Public Safety Employees Association for purposes of employee representation.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Clovis that the City's FY15-16 Classification, Compensation, and Position Allocation Plans shall be modified to include the Senior Systems Video Analyst classification (Exhibit A) with a monthly salary range of \$6,170.00 to \$7,500.00 per month.

The foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on April 11, 2016, by the following vote to wit:

AYES:

NOES:

ABSENT:

Dated: April 11, 2016

Mayor

City Clerk

RESOLUTION 16- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS APPROVING
AMENDMENTS TO THE CITY'S CLASSIFICATION, COMPENSATION, AND
POSITION ALLOCATION PLANS BY ADOPTING A SYSTEMS VIDEO TECHNICIAN
CLASSIFICATION**

The City Council of the City of Clovis resolves as follows:

WHEREAS, a staffing need exists in the Police Department to provide additional technical support to the Department Support Division; and,

WHEREAS, it has been determined that adoption of a Systems Video Technician classification will meet this need; and,

WHEREAS, it has been determined that the appropriate salary range for the Systems Video Technician classification is \$3,855.00 to \$4,686.00 per month; and,

WHEREAS, it has been determined that it is appropriate to assign the Systems Video Technician to the Clovis Public Safety Employees Association for purposes of employee representation.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Clovis that the City's FY15-16 Classification, Compensation, and Position Allocation Plans shall be modified to include the Systems Video Technician classification (Exhibit B) with a monthly salary range of \$3,855.00 to \$4,686.00 per month.

The foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on April 11, 2016, by the following vote to wit:

AYES:

NOES:

ABSENT:

Dated: April 11, 2016

Mayor

City Clerk

Exhibit A

Senior Systems Video Analyst

SALARY RANGE

\$35.60 - \$43.27 Hourly
\$6,170.00 - \$7,500.00 Monthly
\$74,040.00 - \$90,000.00 Annually

DESCRIPTION:

DEFINITION

Under general supervision provides a wide range of professional, technical support services to City staff in designing, installing, operating, and maintaining the City's complex camera video surveillance systems, including network administration, system administration, communications infrastructure, strategic system technical support, and end user applications; and to perform related work as required.

CLASS CHARACTERISTICS

The Senior Systems Video Analyst provides a wide range of professional, advanced technical support services to City staff in designing, installing, operating, and maintaining the City's complex camera video surveillance systems, including network administration, system administration, communications infrastructure, strategic system technical support, and end user applications. Instructions given by the supervisor generally do not provide all of the information needed to complete an assignment. Incumbents are expected to resolve most problems confronted through the application of technical knowledge, judgment, and precedent; referring to the supervisor only those problems which involve the establishment of new procedures or which involve solutions which are inconsistent with departmental procedures and policies. The incumbent has some independence in selecting work methods or procedures.

EXAMPLES OF DUTIES:

Ability to analyze problems, information requirements, and needs, develop logical solutions, read, and comprehend technical information, and document technical information in writing; analyzes, designs, implements, and maintains video surveillance systems for the City and associated City Departments, and agencies; assists in the maintenance of the City's fiber optic network and infrastructure; assists with analyzing software and hardware needs; makes recommendations for acquisition, improvements, and enhancements; assists with technical problems and design issues; familiarity with infrastructure components; installs and tests a variety of telecommunications and video network cabling infrastructure, including hybrid, fiber optic, copper, horizontal and coaxial cable; reviews blueprints and as-builts; using appropriate industry standards,

constructs and installs indoor and outdoor telecommunications video cable plant facilities, riser and horizontal wiring, and cabling systems, including wire, cable, fiber optics, terminal blocks, patch panels, jacks, Main Distribution Frames (MDFs) and Intermediate Distribution Frames (IDFs); conducts testing of installed and terminated wire to ensure proper connectivity and transmission in accordance with applicable standards; ensures all required labeling and documentation is accurate and complete; prepares and maintains documentation and records of work requested and performed; updates as-built drawings, facilities management documents, and cable plant records to reflect installations, changes, or deletions; undertakes special projects at the direction of the Department Head (or designee); works closely with vendors for support and purchase of technology system hardware, software, and equipment; works with various departmental staff throughout the City, contractors, and vendors to analyze, recommend, and implement solutions to business function requirements; assists in the training of less experienced staff; operates City vehicles; responds to emergency situations during or after hours for the purpose of resolving immediate safety/security concerns; and performs related work as required.

TYPICAL QUALIFICATIONS:
LICENSE AND CERTIFICATION

License Required:

- Possession of a valid California Driver's License and a good driving record.

Certifications Desirable:

- Current industry video management systems;
- Network switching.

EDUCATION AND EXPERIENCE

Any combination of education and experience equivalent to:

Education:

- Graduation from an accredited college or university with a Bachelor's Degree with major course work in Technology or a closely related field.

Experience:

- Two (2) years of experience performing technology related functions such as network administration, system administration, communication infrastructure, strategic system technical support, or advanced technical support services.

Desirable Experience:

- Experience in design, management, and performing installation, servicing, troubleshooting, and repair of security system equipment is desired for:
 - Closed-circuit television (CCTV);
 - Video camera systems and infrastructure.

QUALIFICATIONS

Knowledge of:

- Federal, state, and local laws, rules, and regulations related to telecommunications camera, video, and audio surveillance systems and equipment;
- Video network architectures, configurations, protocols, and inter-connectivity requirements including wireless infrastructure protocols, and associated access control technologies;
- Local and wide area networks and data communication systems, including cabling, servers, workstations and peripherals, interface cards, routers, switches, and firewalls;
- Network protocols, operating systems, Internet, Intranet, and remote access systems;
- Basic system security principles and practices;
- Basic principles and theories of electricity, electronics, and computer hardware and software design as they relate to installation, maintenance, and troubleshooting of telecommunication systems and equipment;
- Appropriate safety precautions and procedures.

Ability to:

- Analyze complex computer video system hardware and software requirements;
- Analyze data communications, networks, hardware, and software problems and determine feasible solutions;
- Communicate effectively orally and in writing;
- Develop and implement operational policies and procedures;
- Effectively manage technology projects including the direction of others;
- Establish and maintain effective working relationships with co-workers, representatives of user departments, outside agencies, and the public;
- Maintain the confidentiality of privileged information;
- Operate a vehicle, observing legal and defensive driving practices;
- Prepare clear, accurate, and concise reports and records;
- Read and understand blueprints and technical documentation;
- Think globally and design a task oriented plan and implement;
- Understand and apply federal, state, and local laws, rules, and regulations regarding telecommunications for camera, video, and audio surveillance systems and equipment;
- Use equipment, tools, media, and other materials in constructing, servicing, installing, and repairing telecommunications systems, facilities, and equipment;
- Use technology related test equipment;
- Work with a wide variety of technology related hand tools and components.

SUPPLEMENTAL INFORMATION:

PHYSICAL DEMANDS AND WORKING CONDITIONS

- Incumbents in this class are required to successfully perform the essential functions as specified;
- Strength: Moderate work-lifting, caring and/pushing 50 pounds maximum with frequent lifting and/or carrying of objects weighing up to 50 pounds;
- Physical: Talking, feeling, finger dexterity, frequent grasping and holding, reaching, bending, climbing, crawling, balancing, standing, walking, kneeling, squatting, and

stooping on level and uneven surfaces; work in confined spaces; climb in and out of a bucket truck and balance while working at a height above 40 feet; perform work around high volume moving traffic and exposure to electrical hazards of medium to high voltage, moving mechanical parts, and vibrations;

- Hearing: Sufficient to work safely around traffic with the ability to hear in loud conditions and may be required to wear ear protection;
- Vision: Corrected to normal, including color vision sufficient to distinguish colored indicator lights and wires;
- Environment: Ability to work in all weather conditions with the ability to work outdoors in the heat and humidity when over 100 degrees in the summer and in the cold and rain during the winter months; exposure to dust, poor ventilation, chemicals, fumes, storm water, wastewater, and in other environmental substances that are present.

Exhibit B

Systems Video Technician

SALARY RANGE

\$22.24 - \$27.03 Hourly
\$3,855.00 - \$4,686.00 Monthly
\$46,260.00 - \$56,232.00 Annually

DESCRIPTION:

DEFINITION

Under supervision performs work involving entry-level technical skills for installing, operating, and maintaining the City's complex camera video surveillance systems and other technical systems as required; and to perform related work as required.

CLASS CHARACTERISTICS

The Systems Video Technician performs work involving entry-level technical skills for installing, operating, and maintaining the City's complex camera video surveillance systems and other technical systems as required. Incumbents receive thorough instructions when tasks are initially assigned and after training are expected to perform duties without constant supervision. Work is reviewed periodically while in progress and upon completion. Incumbents are expected to refer most variations in work to the supervisor for instructions.

EXAMPLES OF DUTIES:

Maintains video surveillance systems for the City and associated City departments and agencies; assists in the maintenance of the City's fiber optic network and infrastructure; installs and tests a variety of telecommunications and video network cabling infrastructure, including hybrid, fiber optic, copper, horizontal and coaxial cable; prepares and maintains documentation and records of work requested and performed; responds to emergency situations during or after hours for the purpose of resolving immediate safety/security concerns; and performs related work as required.

TYPICAL QUALIFICATIONS:

LICENSE REQUIRED

- Possession of a valid California Driver's License and a good driving record.

EDUCATION AND EXPERIENCE

Any combination of education and experience equivalent to:

Education:

- Completion of two (2) years (60 semester units) from an accredited college or university with major course work in Technology or a closely related field.

Experience:

- Two (2) years of experience performing mechanical or technology functions.

QUALIFICATIONS

Knowledge of:

- Basic principles and theories of electricity, electronics, and computer hardware and software;
- Basic system security principles and practices;
- Appropriate safety precautions and procedures.

Ability to:

- Become proficient quickly in the use of Closed-circuit television (CCTV) software and hardware;
- Communicate effectively orally and in writing;
- Establish and maintain effective working relationships with co-workers, representatives of user departments, outside agencies, and the public;
- Maintain the confidentiality of privileged information;
- Operate a vehicle observing legal and defensive driving practices;
- Prepare clear, accurate, and concise reports and records;
- Read and understand technical documentation;
- Use equipment, tools, media, and other materials in constructing, servicing, installing, and repairing telecommunications systems, facilities, and equipment;
- Use appropriate safety precautions and procedures;
- Use technology related test equipment;
- Work with a wide variety of technology related hand tools and components.

SUPPLEMENTAL INFORMATION:

PHYSICAL DEMANDS AND WORKING CONDITIONS

- Incumbents in this class are required to successfully perform the essential functions as specified;
- Strength: Moderate work-lifting, caring and/pushing 50 pounds maximum with frequent lifting and/or carrying of objects weighing up to 50 pounds;
- Physical: Talking, feeling, finger dexterity, frequent grasping and holding, reaching, bending, climbing, crawling, balancing, standing, walking, kneeling, squatting, and stooping on level and uneven surfaces; work in confined spaces; climb in and out of a bucket truck and balance while working at a height above 40 feet; perform work around high volume moving traffic and exposure to electrical hazards of medium to high voltage, moving mechanical parts, and vibrations;
- Hearing: Sufficient to work safely around traffic with the ability to hear in loud conditions and may be required to wear ear protection;
- Vision: Corrected to normal, including color vision sufficient to distinguish colored indicator lights and wires;
- Environment: Ability to work in all weather conditions with the ability to work outdoors in the heat and humidity when over 100 degrees in the summer and in the cold and

- rain during the winter months; exposure to dust, poor ventilation, chemicals, fumes, storm water, wastewater, and in other environmental substances that are present;
- Hours: Subject to infrequent after hours and weekends.

Exhibit C

POSITION ALLOCATION ADJUSTMENT BY DEPARTMENT FY15-16

<u>DEPARTMENT</u>	<u>NUMBER OF POSITIONS</u>
--------------------------	-----------------------------------

Police Department

Add:	Senior Systems Video Analyst	1.0
Add:	Systems Video Technician	1.0



AGENDA ITEM NO:

CCF1

City Manager:

[Signature]

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services Department

DATE: April 11, 2016

SUBJECT: Approval – Bid Award for CIP 15-04, Railroad Avenue Street Improvements and; Authorize the City Manager to execute the contract on behalf of the City

ATTACHMENTS: (A) Vicinity Map

CONFLICT OF INTEREST

None

RECOMMENDATION

1. For the City Council to award a contract for a project CIP 15-04, Railroad Avenue Street Improvements, to Seal Rite Paving, in the amount of \$ 140,560.70 and;
2. For the City Council to authorize the City Manager to execute the contract on behalf of the City.

EXECUTIVE SUMMARY

The project consists of reconstructing approximately 655 feet of Railroad Avenue from Hoblitt Avenue to Barstow Ave. The construction shall include, but not be limited to, clearing and grubbing, saw cutting, cold planing asphalt concrete, excavation, compaction, placing aggregate base, asphalt concrete paving, construction of concrete ADA curb returns, sidewalks, valley gutter and curb & gutter, adjusting manholes and valve boxes to finish grade, traffic striping and signage.

Staff has evaluated the project site and all design aspects within the scope of this project for compliance with the Americans with Disabilities Act (ADA) accessibility standards as of April 11, 2016. The project will be ADA compliant upon completion.

BACKGROUND

The following is a summary of the bid results of April 5, 2016:

BIDDERS	BASE BIDS
Seal Rite Paving	\$ 140,560.70
AJ Excavation, Inc.	\$ 154,626.00
Asphalt Design, Inc.	\$ 158,354.77
Dawson Mauldin Construction	\$ 162,802.50
B&B Construction	\$ 169,008.49
American Paving Co.	\$ 173,790.90
Dave Christian Construction Co., Inc.	\$ 176,196.50
Bush Engineering, Inc.	\$ 177,613.00
Agee Construction Corp.	\$ 179,967.00
Central Valley Asphalt	\$ 186,630.00
ENGINEER'S ESTIMATE	\$ 177,213.00

All bids were examined and the bidder's submittals were found to be in order. Seal Rite Paving is the lowest apparent bidder. Staff has validated the lowest bidder contractor's license status; the contractor is in good standing with no record of complaints or violations recorded in the last three years. A record search for complaints or violations was performed through Cal OSHA and no violations were found.

FISCAL IMPACT

This project was budgeted in the 2015-2016 Community Investment Program. The project is supported solely by the City Community Investment Program.

REASON FOR RECOMMENDATION


Seal Rite Paving is the lowest responsible bidder. There are sufficient funds available for the anticipated costs of this project.

ACTIONS FOLLOWING APPROVAL

1. The contract will be prepared and executed, subject to the Contractor providing performance security that is satisfactory to the City.
2. Construction will begin approximately two (2) weeks after contract execution and be completed in thirty (30) working days thereafter.

Prepared by: Fernando J Copetti, Project Engineer

Submitted by:



Steven E. White
City Engineer

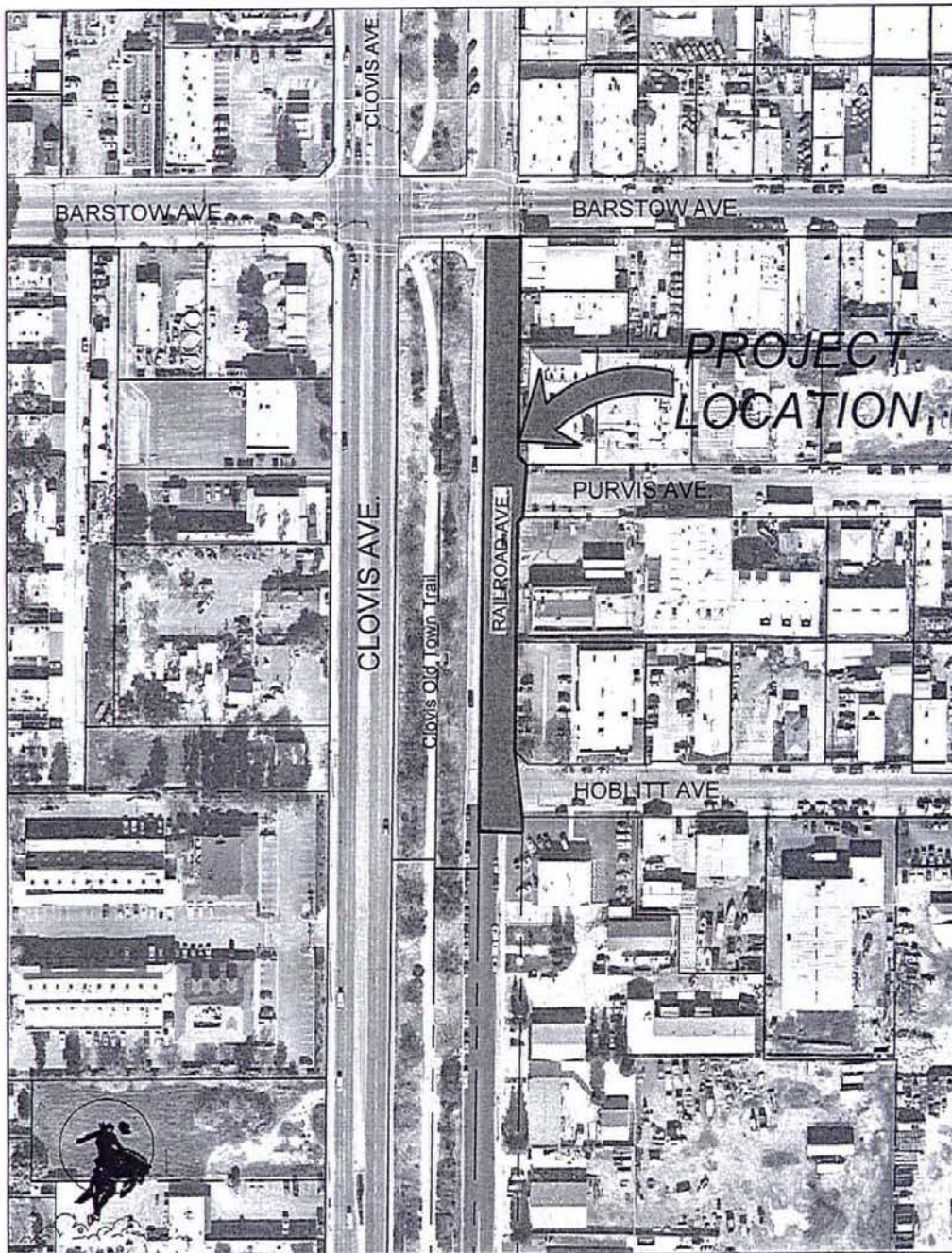
Recommended by:



Dwight Kroll
Director of Planning
and Development Services

CITY OF CLOVIS

PLANNING & DEVELOPMENT SERVICES DEPARTMENT



RAILROAD AVENUE IMPROVEMENTS PROJECT

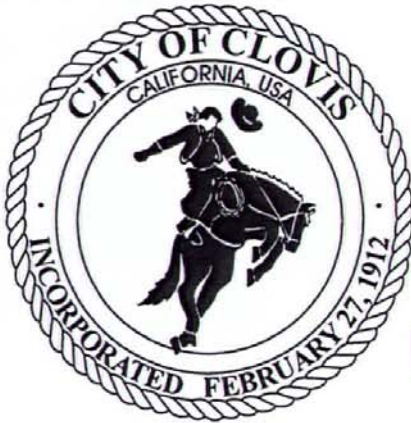


VICINITY MAP

GRAPHIC SCALE

1"=200'





AGENDA ITEM NO: CCF2
City Manager: AA

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services Department

DATE: April 11, 2016

SUBJECT: Approval – Bid Award for CIP 15-11, Sunnyside Avenue & Third Street Entry Feature, to the lowest responsible bidder and; Authorize the City Manager to execute the contract on behalf of the City

ATTACHMENTS: (A) Vicinity Map

CONFLICT OF INTEREST

None

RECOMMENDATION

1. For the City Council to pre-authorize the City Manager to award the subject project to the lowest responsible bidder and;
2. For the City Council to authorize the City Manager to execute the contract on behalf of the City.

EXECUTIVE SUMMARY

Staff is recommending that Council pre-authorize the City Manager to award and execute the contract to the lowest responsible bidder so that construction of the subject project can begin promptly.

The work to be performed includes earthwork and grading, constructing and/or installing, a decorative CMU seat wall, City standard block wall, decorative concrete, boulders, concrete pedestal, City standard sidewalk, electrical conduit, and pull boxes.

BACKGROUND

This project has been through the bidding process before and six bids were received on March 22, 2016 ranging from \$115,228 to \$402,135. All bids received were considerably higher than the engineer's estimate and the budgeted amount from the

HRPP grant. Therefore, all bids were rejected and revised project plans and specifications have been made available to prospective bidders. The bid opening is scheduled for Tuesday, April 12, 2016. The construction cost is estimated at \$72,000.00. The apparent low bidder will be determined following the bid opening process, and project award will take place after staff has validated bidder's license status through the California State Contractor's Board and performed a record search for complaints or violations through Cal OSHA.

Staff has evaluated the project site and all design aspects within the scope of this project for compliance with the Americans with Disabilities Act (ADA) accessibility standards as of April 11, 2016. The project will be ADA compliant upon completion.

FISCAL IMPACT

This project was approved in the 2015-2016 fiscal year budget. The project is fully supported by a grant through the Housing-Related Parks Program (HRPP). The construction cost has been estimated as noted above and funding is available and allocated at this amount. Staff will evaluate the lowest responsible bids in comparison with the estimated construction costs and will execute the contracts only if the lowest bid is financially responsive to the allocated funding.

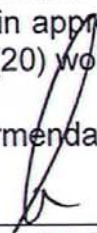
REASON FOR RECOMMENDATION

Staff is requesting that the City Council pre-authorize the City Manager to award and execute the contract for the project to the lowest responsible bidder that meets the contract requirements. Staff is requesting this expedited process for maintaining the current project requirements and schedule commitments. Pre-authorization for awarding of this project will allow the Engineering Division to continue timely delivery of the project.

ACTIONS FOLLOWING APPROVAL

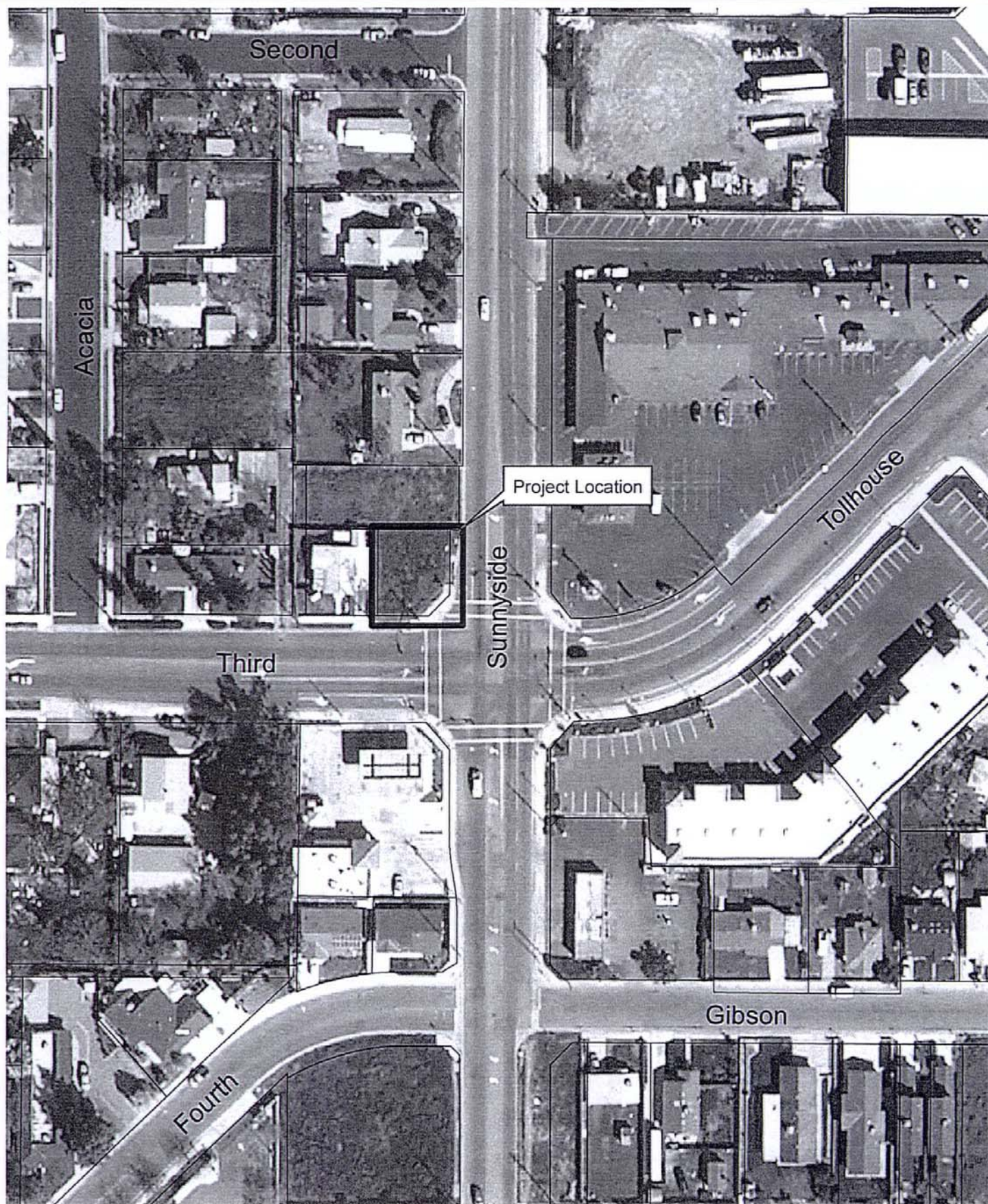
1. Staff expects to open bids and determine the lowest responsible bidder for the project, and Council will receive a report of the bid award.
2. The contract will be prepared and executed, subject to the contractor providing performance security that is satisfactory to the City.
3. Construction will begin approximately two (2) weeks after contract execution and be completed in twenty (20) working days thereafter.

Prepared by: John Armendariz, Project Engineer

Submitted by: 
Steven E. White
City Engineer

Recommended by: 

Dwight Kroll, AICP
Director of Planning
and Development Services



9/4/2015

CIP 15-11 Sunnyside Avenue & Third Street Entry Feature





AGENDA ITEM NO:

CCF 3

City Manager:

[Signature]

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services Department

DATE: April 11, 2016

SUBJECT: Approval – Bid Award for CIP 15-17, Local Street Reconstruction 2015 and; Authorize the City Manager to execute the contract on behalf of the City

ATTACHMENTS: (A) Vicinity Map

CONFLICT OF INTEREST

None

RECOMMENDATION

1. For the City Council to award a contract for a project CIP 15-17, Local Street Reconstruction 2015, to B&B Construction, in the amount of \$ 149,023.00 and;
2. For the City Council to authorize the City Manager to execute the contract on behalf of the City.

EXECUTIVE SUMMARY

The project consists of reconstructing approximately 630 lineal feet of asphalt concrete pavement on Mitchell Avenue from Cherry Lane to Harvard Avenue and approximately 950 lineal feet of asphalt concrete pavement on Beverly Drive from Minnewawa Avenue to Harvard Avenue. The construction shall involve, but not limited to, clearing, grubbing, earthwork, grading, compaction, removal and disposal of existing material, saw cutting, aggregate base, asphalt concrete paving, adjusting sanitary sewer manholes, and traffic striping.

Staff has evaluated the project site and all design aspects within the scope of this project for compliance with the Americans with Disabilities Act (ADA) accessibility standards as of April 11, 2016. The project will be ADA compliant upon completion.

BACKGROUND

The following is a summary of the bid results of April 5, 2016:

BIDDERS	BASE BIDS
B&B Construction	\$ 149,023.00
Dawson Mauldin Construction	\$ 150,131.81
Asphalt Design, Inc.	\$ 150,162.24
AJ Excavation, Inc.	\$ 154,026.00
Dough Ross, Inc.	\$ 154,235.00
Seal Rite Paving	\$ 156,515.71
American Paving Co.	\$ 170,519.00
Dave Christian Construction Co., Inc.	\$ 171,092.50
Bush Engineering, Inc.	\$ 185,119.00

ENGINEER'S ESTIMATE

\$ 144,595.00

All bids were examined and the bidder's submittals were found to be in order. B&B Construction is the lowest apparent bidder. Staff has validated the lowest bidder contractor's license status; the contractor is in good standing with no record of complaints or violations recorded in the last three years. A record search for complaints or violations was performed through Cal OSHA and no violations were found.

FISCAL IMPACT

This project was budgeted in the 2015-2016 Community Investment Program. The project is supported solely by the City Community Investment Program.

REASON FOR RECOMMENDATION

B&B Construction is the lowest responsible bidder. There are sufficient funds available for the anticipated costs of this project.


ACTIONS FOLLOWING APPROVAL

1. The contract will be prepared and executed, subject to the Contractor providing performance security that is satisfactory to the City.

2. Construction will begin approximately two (2) weeks after contract execution and be completed in thirty (30) working days thereafter.

Prepared by: Fernando J Copetti, Project Engineer

Submitted by:



Steven E. White
City Engineer

Recommended by:

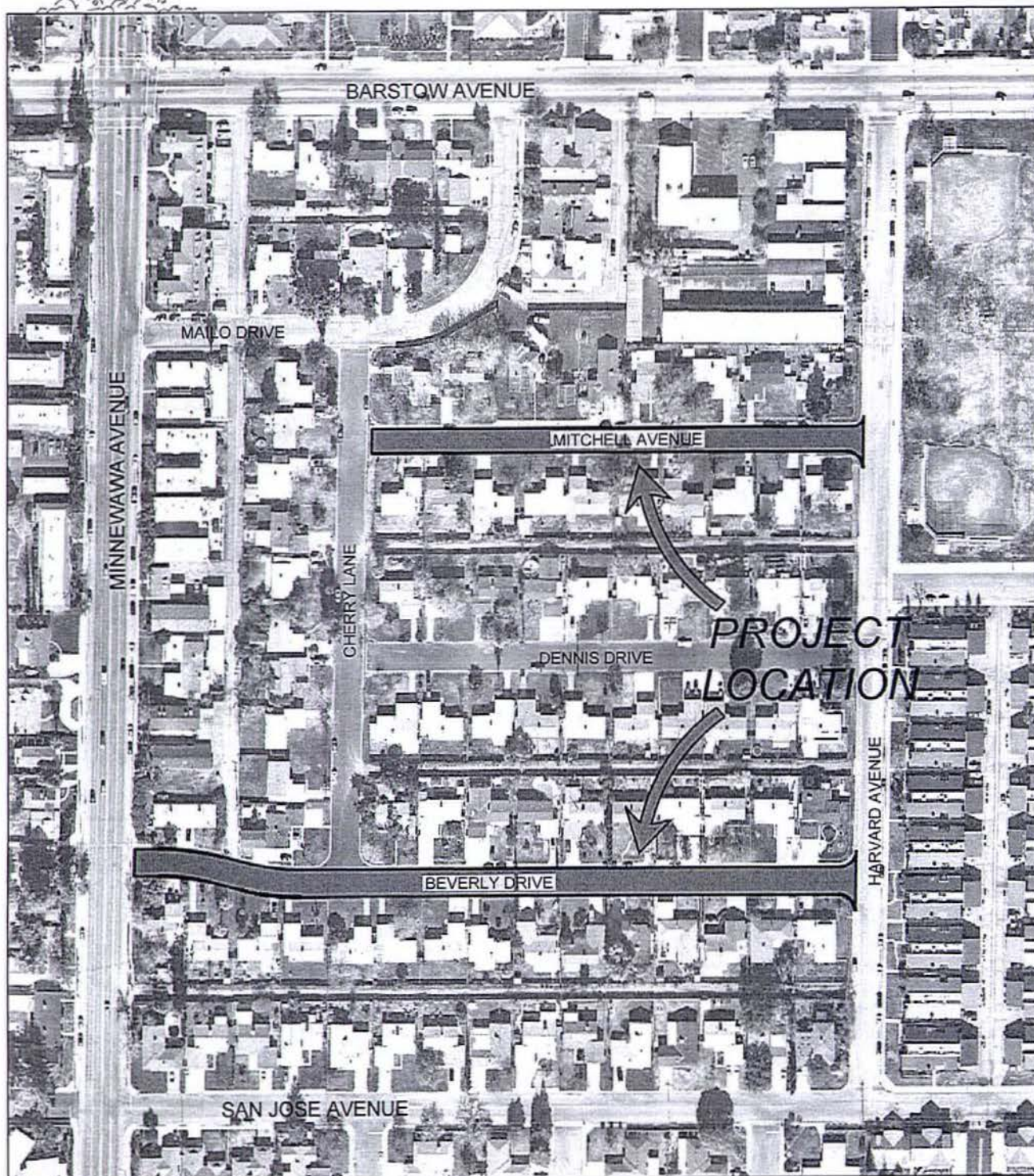


Dwight Kroll
Director of Planning
and Development Services



CITY OF CLOVIS

PLANNING & DEVELOPMENT SERVICES DEPARTMENT



CIP 15-17 LOCAL STREET RECONSTRUCTION 2015 PROJECT



VICINITY MAP

GRAPHIC SCALE

1"=200'





AGENDA ITEM NO: CC-61

City Manager: AA

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council
FROM: Police Department
DATE: April 11, 2016
SUBJECT: Monthly Report to Council, February 2016

CONFLICT OF INTEREST

None

RECOMMENDATION

Receive and file February 2016 Police Department Monthly Report to City Council.

EXECUTIVE SUMMARY

The Police Department provides monthly updates to City Council Members on department activities.

BACKGROUND

The Police Department Monthly Report contains statistical data along with timely articles.

Clovis Police Department

Monthly Report to Council, February 2016

CLOVIS POLICE OFFICER/STAFF ACCOMPLISHMENTS

FBI Crime Index Statistics for February

Homicide	0	Burglary	38
Forcible Rape	3	Vehicle Theft	27
Robbery	6	Larceny Theft	170
Aggravated Assault	17	Arson	1

Clovis Police Department Statistics for February:

Calls for Service: Public: 3,895 Officer Initiated: 3,095 Total: 6,990

(Average Calls for Service per Day: 241.03)

Arrests: Adults: 383 Juveniles: 23 Total: 406

Traffic Accidents: Fatal: 0 Injury: 26 Non-Injury: 52 DUI: 10 Hit & Run: 20

DUI Arrests: 26 Traffic Cites: 492 Parking Cites: 65

Municipal Citations: 158 Priority One Response Time: 3.76 min.

Citizen Surveys of Service:

(Above average or excellent)

Feb. Mar. April May

100% NA/% NA/% NA%

Volunteer Hours for February (@ \$22.14 per hour):

Volunteers: 76 Hours Served: 873.5 Total Savings: \$19,339.29

Explorer Hours for February (@ \$11.50 per hour):

Explorers: 24 Hours Served: 77.3 Total Savings: \$888.95

News Releases Available online: www.ci.clovis.ca.us

- The Clovis Chamber of Commerce hosted the "Inaugural Central Valley Forum" on February 18th. The Central Valley Forum: State of Public Safety featured Clovis Police Chief Matt Basgall and Sheriff Margaret Mims in the Clovis Veterans Memorial Auditorium. The Chief and the Sheriff addressed trending public safety issues affecting Clovis and its sphere of influence. Some of those concerns included Prop 47 and how it affects crime in our area, conceal and carry permits, gun control, car theft and home invasion concerns. The forum offered the 40 or so attendees to ask questions of the Chief and Sheriff. Clovis City Councilman Bob Whalen moderated the discussion and presented audience questions to the Chief and Sheriff. It proved to be an informative evening. Members of the media interviewed Chief Basgall following the forum.



- Clovis Police Chief Matt Basgall and his Command Staff on February 17th presented officers with Medals of Commendation, Medal of Merit, Unit Citation (Traffic), DUI Award for 52 arrests, Unit Citation for 14 Citizens on Patrol Volunteers and Life Saving Awards. "Of the Year" selections included Part-Time Employee of the Year Chaplain Mark Lixey, Volunteer of the Year Ron Becker, Professional Employees of the Year Ty Wood and Margarita Serrano, Dispatcher of the Year Danielle Beltran and Officer of the Year Giuseppe Chiaramonte. Chief Basgall also swore in 3 new officers. Clovis Mayor Nathan Magsig and City Manager Rob Woolley were also on hand to congratulate the honorees and welcome the new officers. Several media outlets also covered the event.

- The Big Hat Half Marathon proved to be quite an undertaking on February 21st. The event ran from 7 a.m. until noon. Sworn and non-sworn personnel signed up to help with the event. Sgt. John Willow and Cpl. Max Garces worked to make this event a success. The half marathon began at Clovis and 4th street near Hughes. The half marathon covered a looped course, which was both scenic and flat and covered 13.100 miles. Those who participated also helped raise funds for the dogs and cats at the Miss Winkles Pet Adoption Center located at 85 Temperance Avenue. Hours are 10:00 a.m. to 6 p.m. Tuesday through Sunday. All adoptable pets have been spayed or neutered, are current on their vaccinations and micro-chipped. Adoption fees are \$25 for dogs, cats, kittens and puppies.





AGENDA ITEM NO: CC-H-1

City Manager: AA

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Public Utilities Department

DATE: April 11, 2016

SUBJECT: Approval - Authorize Interlocal Contract for Cooperative Purchasing with HGACBuy.

ATTACHMENTS: Draft Contract

CONFLICT OF INTEREST

None.

RECOMMENDATION

Authorize the City Manager to execute an Interlocal Contract for Cooperative Purchasing with the Houston-Galveston Area Council.

EXECUTIVE SUMMARY

Permission is requested to enter into an agreement with the Houston-Galveston Area Council to provide for cooperative purchasing. The Houston-Galveston Area Council (H-GAC) is a regional council of governments operating under the laws of the State of Texas and governed by a board comprised of 36 elected officials from the 13 county region. The H-GAC Board awards all contracts, which can then be made available to local governments nationwide thru HGACBuy.

BACKGROUND

HGACBuy is a unit of local government and a political subdivision of the State of Texas. The HGACBuy Program is over 30 years old and specializes in high ticket, capital

intensive products and services that require technical, detailed specifications and extensive professional skills to evaluate bid responses. All products offered through HGACBuy have been awarded by a public competitive process. There are no annual membership dues required to purchase thru HGACBuy.

Products that are available are those utilized in public safety, public works, and communications, in addition to professional consulting, personnel and financing services. A wide variety of capital equipment is under contract, and thru a unique feature of HGACBuy it can be customized through the use of published and unpublished options to fit specific specifications and requirements.

FISCAL IMPACT

There is no cost to join the Cooperative. HGACBuy is a self-funded "Enterprise Fund" government agency, self-supported thru an administrative fee assessed to the contractor. Utilization of the cooperative purchasing will result in lower costs to the City.

REASON FOR RECOMMENDATION

Utilizing HGACBuy will provide access to volume purchasing and discounts. They write technical specifications which eliminates the need to hire consultants for that purpose. They absorb the costs associated with publishing legal notices and it expedites the procurement process so that the City is not delayed for months preparing specifications and satisfying all of the other requirements for competitive bids and proposals.

ACTIONS FOLLOWING APPROVAL

A contract will be prepared for the City Manager's signature.

Prepared by: Lisa Koehn, Assistant Public Utilities Director

Submitted by: Luke Serpa, Interim Public Utilities Director LS



INTERLOCAL CONTRACT FOR COOPERATIVE PURCHASING

ILC

No.: _____

Permanent Number assigned by H-GAC

THIS INTERLOCAL CONTRACT ("Contract"), made and entered into pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code (the "Act"), by and between the Houston-Galveston Area Council, hereinafter referred to as "H-GAC," having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, and *City of Clovis, Calif, a local government, a state agency, or a non-profit corporation created and operated to provide one or more governmental functions and services, hereinafter referred to as "End User," having its principal place of business at *1033 Fifth Street, Clovis, CA 93612

WITNESSETH

WHEREAS, H-GAC is a regional planning commission and political subdivision of the State of Texas operating under Chapter 391, Texas Local Government Code; and

WHEREAS, pursuant to the Act, H-GAC is authorized to contract with eligible entities to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, in reliance on such authority, H-GAC has instituted a cooperative purchasing program under which it contracts with eligible entities under the Act; and

WHEREAS, End User has represented that it is an eligible entity under the Act, that its governing body has authorized this Contract on *4/11/2016 (Date), and that it desires to contract with H-GAC on the terms set forth below;

NOW, THEREFORE, H-GAC and the End User do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The End User represents and warrants to H-GAC that (1) it is eligible to contract with H-GAC under the Act because it is one of the following: a local government, as defined in the Act (a county, a municipality, a special district, or other political subdivision of the State of Texas or any other state), or a combination of two or more of those entities, a state agency (an agency of the State of Texas as defined in Section 771.002 of the Texas Government Code, or a similar agency of another state), or a non-profit corporation created and operated to provide one or more governmental functions and services, and (2) it possesses adequate legal authority to enter into this Contract.

ARTICLE 2: APPLICABLE LAWS

H-GAC and the End User agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, and ordinances and laws in effect or promulgated during the term of this Contract.

ARTICLE 3: WHOLE AGREEMENT

This Contract and any attachments, as provided herein, constitute the complete contract between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 4: PERFORMANCE PERIOD

The period of this Contract shall be for the balance of the fiscal year of the End User, which began *7/1/2015 and ends *6/30/2016. This Contract shall thereafter automatically be renewed annually for each succeeding fiscal year, provided that such renewal shall not have the effect of extending the period in which the End User may make any payment due an H-GAC contractor beyond the fiscal year in which such obligation was incurred under this Contract.

ARTICLE 5: SCOPE OF SERVICES

The End User appoints H-GAC its true and lawful purchasing agent for the purchase of certain products and services through the H-GAC Cooperative Purchasing Program. End User will access the Program through HGACBuy.com and by submission of any duly executed purchase order, in the form prescribed by H-GAC to a contractor having a valid contract with H-GAC. All purchases hereunder shall be in accordance with specifications and contract terms and pricing established by H-GAC. Ownership (title) to products purchased through H-GAC shall transfer directly from the contractor to the End User.

(over)

ARTICLE 6: PAYMENTS

H-GAC will confirm each order and issue notice to contractor to proceed. Upon delivery of goods or services purchased, and presentation of a properly documented invoice, the End User shall promptly, and in any case within thirty (30) days, pay H-GAC's contractor the full amount of the invoice. All payments for goods or services will be made from current revenues available to the paying party. In no event shall H-GAC have any financial liability to the End User for any goods or services End User procures from an H-GAC contractor.

ARTICLE 7: CHANGES AND AMENDMENTS

This Contract may be amended only by a written amendment executed by both parties, except that any alterations, additions, or deletions to the terms of this Contract which are required by changes in Federal and State law or regulations are automatically incorporated into this Contract without written amendment hereto and shall become effective on the date designated by such law or regulation.

H-GAC reserves the right to make changes in the scope of products and services offered through the H-GAC Cooperative Purchasing Program to be performed hereunder.

ARTICLE 8: TERMINATION PROCEDURES

H-GAC or the End User may cancel this Contract at any time upon thirty (30) days written notice by certified mail to the other party to this Contract. The obligations of the End User, including its obligation to pay H-GAC's contractor for all costs incurred under this Contract prior to such notice shall survive such cancellation, as well as any other obligation incurred under this Contract, until performed or discharged by the End User.

ARTICLE 9: SEVERABILITY

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 10: FORCE MAJEURE

To the extent that either party to this Contract shall be wholly or partially prevented from the performance within the term specified of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed; provided, however, force majeure shall not excuse an obligation solely to pay funds. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 11: VENUE

Disputes between procuring party and Vendor are to be resolved in accord with the law and venue rules of the State of purchase.

THIS INSTRUMENT HAS BEEN EXECUTED BY THE PARTIES HERETO AS FOLLOWS:

*** City of Clovis, California**

Name of End User (*local government, agency, or non-profit corporation*)

*** 1033 Fifth Street**

Mailing Address

*** Clovis,**

CA

93612

City

State

ZIP Code

***By:**

Signature of chief elected or appointed official

*** Robert Woolley, City Manager**

Typed Name & Title of Signatory

Date

Houston-Galveston Area Council

3555 Timmons Lane, Suite 120, Houston, TX 77027

By: _____

Executive Director

Attest: _____

Manager

Date: _____

**Denotes required fields*

***Request for Information**

Please sign and return the Interlocal Contract, along with this completed form, to H-GAC by emailing it to cpcontractfax@h-gac.com or by faxing it to **713-993-2424**. The contract may also be mailed to:

H-GAC Cooperative Purchasing Program
P.O. Box 22777, Houston, TX 77227-2777

Name of End User Agency: City of Clovis, California County Name: Fresno
(Municipality/County/District/etc.)

Mailing Address: 1033 Fifth Street, Clovis, CA 93612
(Street Address/P.O. Box) (City) (State) (ZIP Code)

Main Telephone Number: (559) 324-2000 FAX Number: (559) 324-2840

Physical Address: _____
(Street Address, if different from mailing address) (City) (State) (ZIP Code)

Web Site Address: www.cityofclovis.com

Official Contact: Lisa Koehn
(Point of Contact for HGACBuy Interlocal Contract)

Mailing Address: 155 N. Sunnyside Avenue
(Street Address/P.O. Box)
Clovis CA 93611
(City) (State) (ZIP Code)

Title: Assistant Public Utilities Director
Ph No.: (559) 324 - 2607
Fx No.: (559) 324 - 2862
E-Mail Address: lisak@ci.clovis.ca.us

Authorized Official: Robert Woolley
(Mayor/City Manager/Executive Director/etc.)

Mailing Address: 1033 Fifth Street
(Street Address/O.O. Box)
Clovis CA 93612
(City) (State) (ZIP Code)

Title: City Manager
Ph No.: (559) 324 - 2074
Fx No.: (559) 324 - 2840
E-Mail Address: robw@ci.clovis.ca.us

Official Contact: Larry Louie
(Purchasing Agent/Auditor etc.)

Mailing Address: 1033 Fifth Street
(Street Address/O.O. Box)
Clovis CA
(City) (State) (ZIP Code)

Title: Department Support Manager
Ph No.: (559) 324 - 2705
Fx No.: (559) 324 - 2867
E-Mail Address: larryl@ci.clovis.ca.us

Official Contact: Luke Serpa
(Public Works Director/Police Chief etc.)

Mailing Address: 155 N Sunnyside Avenue
(Street Address/O.O. Box)
Clovis CA 93611
(City) (State) (ZIP Code)

Title: Public Utilities Director
Ph No.: (559) 324 - 2614
Fx No.: (559) 324 - 2862
E-Mail Address: luke@ci.clovis.ca.us

Official Contact: Michael Despain
(EMS Director/Fire Chief etc.)

Mailing Address: 1233 Fifth Street
(Street Address/O.O. Box)
Clovis CA 93612
(City) (State) (ZIP Code)

Title: Fire Chief
Ph No.: (559) 324 - 2270
Fx No.: (559) 324 - 2846
E-Mail Address: miked@ci.clovis.ca.us

*** denotes required fields**



AGENDA ITEM NO: 1-A

City Manager: AA

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Public Utilities Department

DATE: April 11, 2016

SUBJECT: Conduct Proposition 218 Hearing Regarding Water Rate Adjustments and Consider Introduction – Ord.16-__, A request to amend Chapter 6.5 and Chapter 6.8 of Title 6 of the Clovis Municipal Code relating to Water Charges, Fees and Recycled Water Charges (Approval Requires 4/5 Vote of Council)

ATTACHMENTS: (A) Draft Ordinance
(B) Water Rate Study
(C) Proposition 218 Notice

CONFLICT OF INTEREST

None.

RECOMMENDATION

For the City Council to conduct a public hearing to consider proposed water rate adjustments and approve the Water Rate Study and the introduction of the draft ordinance amending Water Charges, Fees and Recycled Water Charges. At the conclusion of the public hearing, direct the City Clerk to report out on the results of the protest vote. A two-thirds vote of the Council is required to implement these rate adjustments.

EXECUTIVE SUMMARY

The City's current water rate structure which was approved in 2009 continues to meet the water funds revenue requirements under normal conditions. However due to recent court actions, it has necessitated a review of the current rate structure to ensure conformance with State Law. In addition due to the State imposed mandated water

usage reductions since June 2015, revenues have declined and the fund will not be sustainable long term. A review of the City's rate structure has been conducted by a consultant and the consultant and City staff are recommending new rate structures to address these needs.

The proposed rates and fees are listed in the "Proposed Rates" section of this report. In addition to the water user rate adjustments there are other water service fees that are proposed for adjustment to reflect current costs of doing business.

BACKGROUND

During April 2015, two events occurred that required the City to review its water rate structure. A court case was published that basically said that in order to be in compliance with Proposition 218 requirements, that tiered water rates must be tied to the cost of service. During the same month, the Governor declared a continued State of Emergency due to the drought and issued an executive order mandating water use reductions for all water suppliers. Clovis' mandated reduction was 36% from water use in 2013. The City reacted and reduced water consumption significantly but the reduced water usage also resulted in reduced revenues. Considering the need to verify the cost of service related to the tiered rate structure and the need to address revenue shortfalls during drought conditions, staff retained a consultant (Bartle Wells) to provide a rate study.

Bartle Wells was directed to provide a cost of service study and to recommend a rate structure for normal conditions and a rate structure for drought conditions. The objective is to have a rate structure that meets legal requirements for cost of service, reduces the volatility in revenues during water demand reductions, provides a structure that will accommodate more severe demand reductions and provides conservation incentives.

The water rate study process included developing revenue requirements to fund the service which includes the costs of operations, maintenance, debt service, capital improvements and to maintain fund reserves. The revenue requirements are then allocated to the various customer classes. The functional components are customer service, capacity, water volume, water quality and recycled water. The costs are allocated to each customer class based on the demand that they place on the system. The last step is to design the rate structure that will fund the short and long-term costs of providing service, proportionately allocate costs to all customers and customer classes, provide a prudent balance of revenue stability and conservation incentive, and comply with the requirements of Proposition 218.

Although the rate proposal is revenue neutral the rates will increase for most customers in the drought rate schedule because the City must collect essentially the same amount of revenue over a smaller base of water use.

Proposed Rates

Table 1-2: Current and Proposed Water Rates
Water User Rates and Fee Study
City of Clovis

	Current	Proposed Non-drought	Proposed Drought
Residential			
Dwelling Unit Charge	\$16.80	\$21.22	\$21.22
Water Use			
Current			
Tier 1 (0-10) (\$/kgal)	\$0.00		
Tier 2 (10-35) (\$/kgal)	\$1.71		
Tier 3 (35-70) (\$/kgal)	\$2.14		
Tier 4 (70+) (\$/kgal)	\$2.57		
Proposed			
Tier 1 (0-23) (\$/kgal)		\$0.86	\$1.04
Tier 2 (23-40) (\$/kgal)		\$1.45	\$2.10
Tier 3 (40+) (\$/kgal)		\$1.78	\$2.66
Tarpey Unmetered (65kgal)-(63kgal)	\$100.20	\$106.58	\$132.70
Tarpey Large Lot	\$4.66	\$5.12	\$5.12
Tarpey Excess Use Charges (\$/kgal)	\$1.73	\$1.78	\$2.49
Commercial			
1" or smaller	\$16.80	\$17.10	\$17.10
1 1/2"	\$28.32	\$22.74	\$22.74
2"	\$42.16	\$31.40	\$31.40
3"	\$79.06	\$62.18	\$62.18
4"	\$120.62	\$156.42	\$156.42
6"	\$466.66	\$623.90	\$623.90
8"	\$812.70	\$1,105.96	\$1,105.96
10"	\$1,274.12	\$1,732.64	\$1,732.64
Commercial Water Use			
Current			
Tier 1 (0-10)	\$0.00		
Tier 2 (10+)	\$1.47		
Proposed			
Tier 1 (0-23) (\$/kgal)		\$0.86	\$1.04
Tier 2 (23+) (\$/kgal)		\$1.17	\$1.40
Recycled Water			
2"	\$42.16	\$31.40	\$31.40
3"	\$79.06	\$62.18	\$62.18
4"	\$120.62	\$156.42	\$156.42
6"	\$466.66	\$623.90	\$623.90
8"	\$812.70	\$1,105.96	\$1,105.96
10"	\$1,274.12	\$1,732.64	\$1,732.64
Recycled Water Use (\$/kgal)	\$0.74	\$0.53	\$0.56
Construction Water	\$91.58	\$106.58	\$132.70

Both rate schedules will include a 3% rate increase in future years, on every July 1. This annual increase will be managed the same way as the annual increase in the Solid Waste and Sewer Enterprise Funds. Council will evaluate staff's recommendations during each annual budget cycle to determine if the increase is required during the upcoming budget year. This annual increase will help prevent future sporadic (and sizable) increases in the Water Operations Enterprise Fund, it will allow the fund to react to the tendency of costs to increase over time, and it will allow the fund to maintain operating reserves in order to be better positioned to react to fluctuations in the development industry or changes in regulations.

This study also provides a review of the water fund's miscellaneous fees including the water meter testing deposit, after hours turn-on, and same day turn-on for water shutoffs. These fees are proposed to be increased based on the actual staffing and materials costs of providing these services, see Table 1-1.

Table 1-1: Current and Proposed Miscellaneous Fees
City of Clovis
2015 Water Rate Study

Service Fees and Collection Charges	Current Fee	Proposed Fee
Meter testing deposit	\$60.00	\$84.00
After hours turn on	\$125.00	\$174.00
Same day turn-on for water shutoffs	\$50.00	\$60.00

In addition the deposit required to start service is being adjusted for single family new customers to \$150.00 which is approximately the minimum bill for one billing period.

Proposition 218 Procedures

The City has provided the 45 day notice required by Proposition 218. A copy of the notice is included in this report as Attachment C. The notice provided customers with information regarding the purpose of the adjustments, the proposed rates, and the procedures for submitting a protest. The notice also gave customers a phone number and the web address to contact the City by phone or internet for more information. On the website a specific page was developed for users to review the Rate Study and to determine exactly how much their bill might be. A rate calculator was developed to allow customers to determine based on usage their current bill, a normal bill under the new rates and a bill under drought conditions.

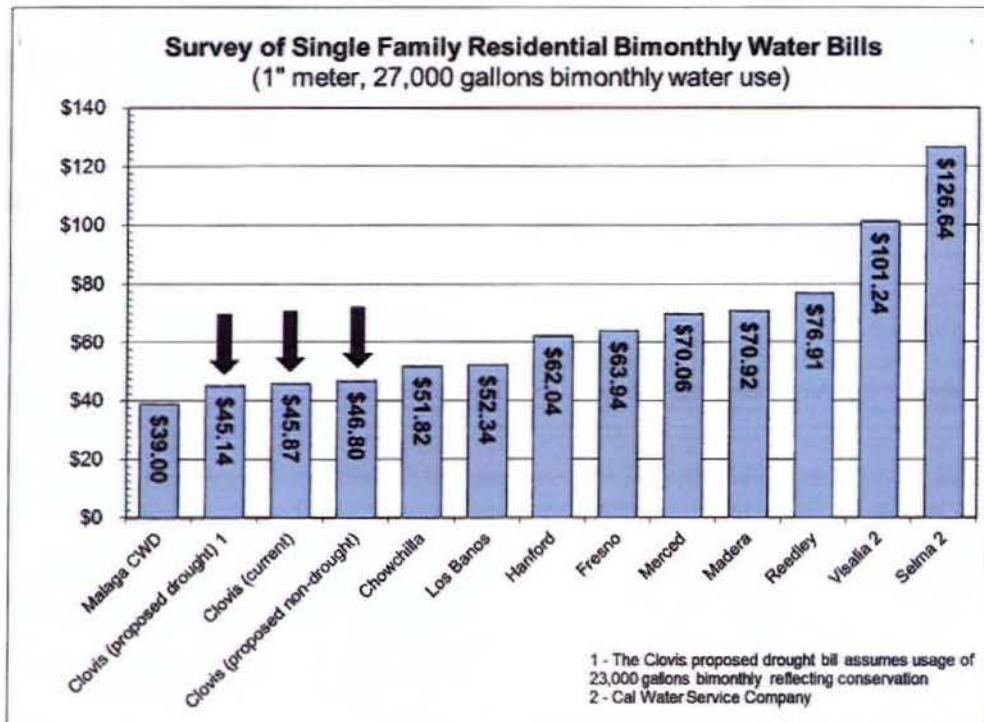
Provided that the number of valid protests received by the close of the public hearing does not exceed 50%, Council may implement these proposed increases. The City Clerk will tabulate the number of protests and verify their validity before the close of the public hearing.

FISCAL IMPACT

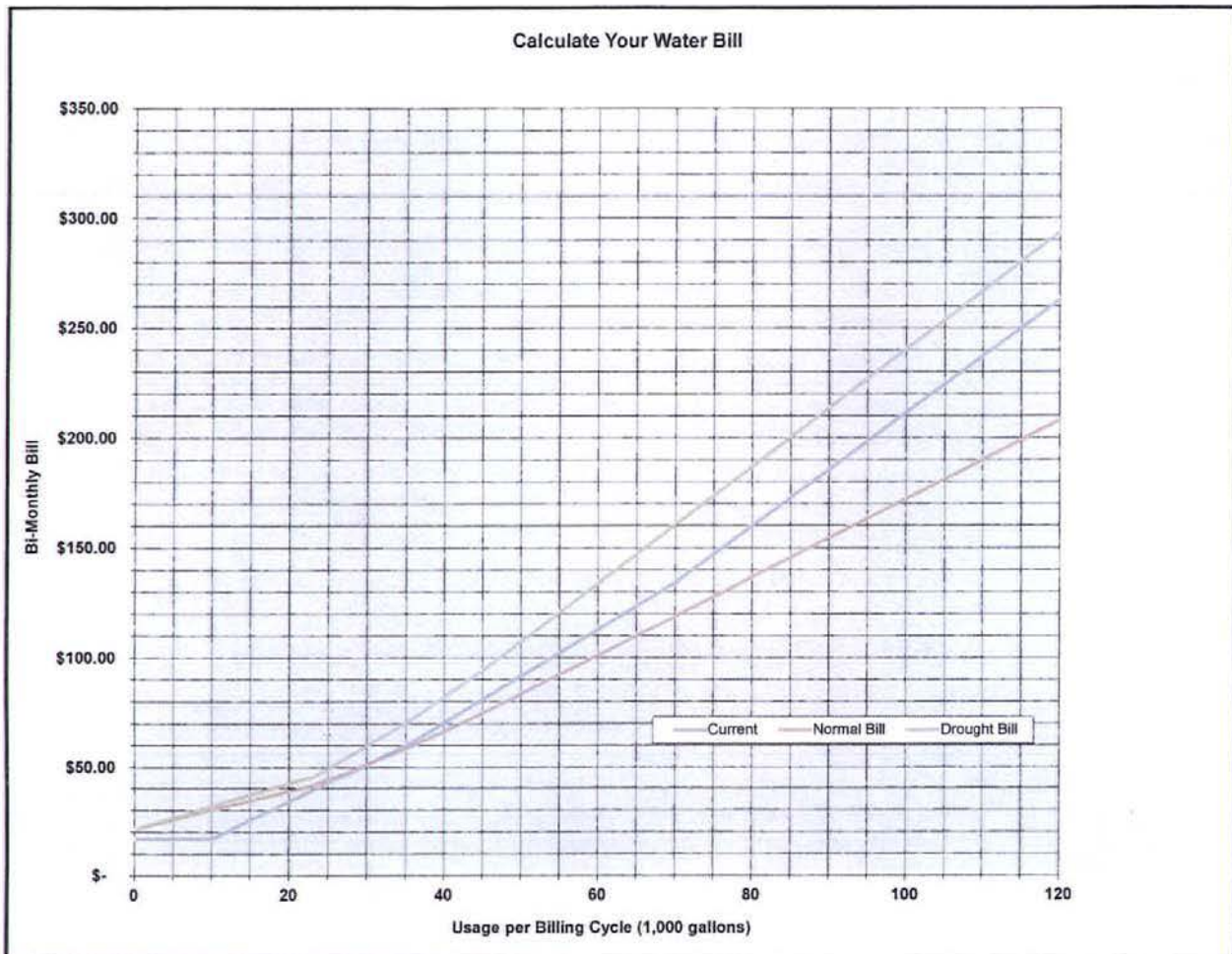
The proposed rates which are designed to meet current revenue needs and don't provide an overall rate increase compared to 2014/15 revenues, will cover the cost of operations, debt service, capital improvements, and maintain a fund balance large enough to satisfy bond debt covenants.

As a part of the proposed water rate adjustment, staff has included an annual 3% increase that will occur each year on July 1 beginning in 2017. It is difficult for City customers to deal with large increases in utility rates. For both the Water and Sewer Operations Enterprise Funds, large increases have been necessary in the past. Modest annual increases provide the revenues necessary to deal with the upward trend of the cost to provide utility services. Energy, fuel, materials, chemicals, vehicle and personnel costs all tend to increase over time. Small annual increases allow the Enterprise Funds to continue to provide utility services without substantial increases. During the last rate adjustment in the Sewer Fund, Council adopted this strategy as a part of their rate making practices for all Enterprise Funds.

The chart below provides a bill survey comparing the City's average single family residential bimonthly bill with the bills charged by other local water agencies. The City's current and proposed non-drought bills are nearly the lowest in the region.



The effect on customers will vary depending on their usage pattern. Below is a chart that shows how the changes will affect single family customers based on usage.



REASON FOR RECOMMENDATION

The City is required to be in compliance with State law regarding utility rates and the City must make sure that revenues are adequate to fund providing water, an essential City service to its customers. A thorough water user rate and fee study has been completed by Bartle Wells Associates and the rate schedules proposed through the study meet the objectives of the study. The proposed non-drought rates are very competitive with most of the comparison cities.

ACTIONS FOLLOWING APPROVAL

None.

Prepared by: Lisa Koehn, Assistant Public Utilities Director

Submitted by: Luke Serpa, Public Utilities Director LS

ATTACHMENT A
ORDINANCE 16-____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLOVIS
AMENDING CHAPTER 6.5 AND CHAPTER 6.8 OF TITLE 6 CLOVIS MUNICIPAL
CODE
RELATING TO WATER AND RECYCLED WATER USE**

The City Council of the City of Clovis does ordain as follows:

Section 1 Effective July 1, 2016 Section 6.5.102 of Chapter 6.5 of Title 6 of the Clovis Municipal Code is hereby amended to read as follows:

6.5.102 Applications for water service.

Before water shall be supplied to any premises, the owner or occupant of the property shall make a written application to the City for water service on a form provided by and containing such information as may be required by the City. Thereupon, a service connection shall be made at the nearest distribution main after the charges provided for in this section have been paid. Industrial developments for nonfood processing functions shall, as a first choice, use non-potable water from the City's infrastructure, subject to availability to the site and as approved by the City Engineer.

The applicant, on making such application, shall pay a fee of ten and no/100ths dollars (\$10.00) for opening a water service account, which fee shall not be refunded.

(a)Deposits. The City shall require an applicant for water service, if such customer has not previously been a customer of the City within the corporate limits of the City, or any consumer delinquent in the payment of bills for such service, to guarantee the payment of water and other utility user charges with a cash deposit in the sum of one hundred fifty and no/100ths dollars (\$150.00) or, for commercial customers and multi-family customers, a deposit of an amount equal to the sum of the minimum water, sewer, street sweeping, recycling, greenwaste and refuse service as requested by the customer for one (1) billing period.

(b)Return of deposits. Deposits shall be held by the City for a minimum period of two (2) years. The deposit shall be returned to the customer after two (2) years, but not sooner than six (6) months after any one (1) delinquency, if more than one (1).

Section 2 Effective July 1, 2016 Section 6.5.103, Section 6.5.104, Section 6.5.105 and Section 6.5.107 of Chapter 6.5 of Title 6 of the Clovis Municipal Code are hereby amended to read as follows:

6.5.103 Water rates inside the City.

Each customer connected to the City's water system shall pay, as a condition of water service, the following rates for one (1) month of service:

(a) For single-family living units; multiple-family units; two (2) or more living units with separate toilet, kitchen or washroom facilities situated on the same lot; hotels; motels; and auto courts or mobile home parks wherein individual units or cabins are provided with kitchen facilities the minimum charge to each customer shall be ten and 61/100ths dollars (\$10.61) per month per unit. In addition each customer shall pay at the rate of 86/100ths dollars (\$0.86) per one thousand gallons for no more than eleven thousand five hundred (11,500) gallons per month per unit, and for amounts in excess of eleven thousand five hundred (11,500) gallons but no more than twenty thousand (20,000) gallons per month per unit, in addition the customer shall pay at the rate of one and 45/100ths dollars (\$1.45) per one thousand (1,000) gallons of water used. For amounts of water used in excess of twenty thousand (20,000) gallons per month per unit, the customer shall pay, in addition, the rate of one and 78/100ths dollars (\$1.78) per one thousand (1,000) gallons of water used over twenty thousand (20,000) gallons per month.

During any declared state of emergency by the State or City related to potable water conditions that mandate water conservation in the City, when State or Federal regulations that mandate water conservation in the City are in effect, or during local water shortages, the following rates are effective. For single-family living units; multiple-family units; two (2) or more living units with separate toilet, kitchen or washroom facilities situated on the same lot; hotels; motels; and auto courts or mobile home parks wherein individual units or cabins are provided with kitchen facilities the minimum charge to each customer shall be ten and 61/100ths dollars (\$10.61) per month per unit. In addition each customer shall pay at the rate of one and 04/100ths dollars (\$1.04) per one thousand gallons for no more than eleven thousand five hundred (11,500) gallons per month per unit, and for amounts in excess of eleven thousand five hundred (11,500) gallons but no more than twenty thousand (20,000) gallons per month per unit, in addition the customer shall pay at the rate of two and 10/100ths dollars (\$2.10) per one thousand (1,000) gallons of water used. For amounts of water used in excess of twenty thousand (20,000) gallons per month per unit, the customer shall pay, in addition, the rate of two and 66/100ths dollars (\$2.66) per one thousand (1,000) gallons of water used over twenty thousand (20,000) gallons per month.

(1) For residential customers with landscape meters, the charge for water consumption of such landscape meters shall be at the minimum of the commercial rate provided in subsection (b) of this section and In addition each customer shall pay at the rate of 86/100ths dollars (\$0.86) per one thousand gallons for no more than eleven thousand five hundred (11,500) gallons per month. For amounts of water used in excess of eleven thousand five hundred (11,500) gallons per month, the customer shall pay, in

addition the rate of one and 17/100ths dollars (\$1.17) per one thousand (1,000) gallons of water used over eleven thousand five hundred (11,500) gallons per month.

During any declared state of emergency by the State or City related to potable water conditions that mandate water conservation in the City, when State or Federal regulations that mandate water conservation in the City are in effect, or during local water shortages, the following rates are effective. For residential customers with landscape meters, the charge for water consumption of such landscape meters shall be at the minimum of the commercial rate provided in subsection (b) of this section and In addition each customer shall pay at the rate of one and 04/100ths dollars (\$1.04) per one thousand gallons for no more than eleven thousand five hundred (11,500) gallons per month. For amounts of water used in excess of eleven thousand five hundred (11,500) gallons per month, the customer shall pay, in addition the rate of one and 40/100ths dollars (\$1.40) per one thousand (1,000) gallons of water used over eleven thousand five hundred (11,500) gallons per month.

(b)For all other customers; commercial uses, industrial uses, schools and churches, wherein water service is provided, the minimum charge shall be eight and 55/100ths dollars (\$8.55) per account per month for water services one inch (1") or smaller in size. For water services one and one-half inches (1-1/2") in size, the minimum charge shall be eleven and 37/100ths dollars (\$11.37) per account per month. For water services two inches (2") in size, the minimum charge shall be fifteen and 70/100ths dollars (\$15.70) per account per month. For water services three inches (3") in size, the minimum charge shall be thirty-one and 09/100ths dollars (\$31.09) per account per month. For services four inches (4") in size, the minimum charge shall be seventy-eight and 21/100ths dollars (\$78.21) per account per month. For services six inches (6") in size, the minimum charge shall be three hundred eleven and 95/100ths dollars (\$311.95) per account per month. For services eight inches (8") in size, the minimum charge shall be five hundred fifty-two and 98/100's dollars (\$552.98) per account per month. For services ten inches (10") in size, the minimum charge shall be eight hundred sixty-six and 32/100's dollars (\$866.32) per account per month. In addition each customer shall pay at the rate of 86/100ths dollars (\$0.86) per one thousand gallons for no more than eleven thousand five hundred (11,500) gallons per month. For amounts of water used in excess of eleven thousand five hundred (11,500) gallons per month, the customer shall pay, in addition the rate of one and 17/100ths dollars (\$1.17) per one thousand (1,000) gallons of water used over eleven thousand five hundred (11,500) gallons per month. "Account" as used in this subsection shall mean each meter connection whether serving one (1) business or multiple businesses under one (1) or multiple ownership.

During any declared state of emergency by the State or City related to potable water conditions that mandate water conservation in the City, when State or Federal regulations that mandate water conservation in the City are in effect, or during local water shortages, the following rates are effective. For all other customers; commercial uses, industrial uses, schools and churches, wherein water service is provided, the

minimum charge shall be eight and 55/100ths dollars (\$8.55) per account per month for water services one inch (1") or smaller in size. For water services one and one-half inches (1-1/2") in size, the minimum charge shall be eleven and 37/100ths dollars (\$11.37) per account per month. For water services two inches (2") in size, the minimum charge shall be fifteen and 70/100ths dollars (\$15.70) per account per month. For water services three inches (3") in size, the minimum charge shall be thirty-one and 09/100ths dollars (\$31.09) per account per month. For services four inches (4") in size, the minimum charge shall be seventy-eight and 21/100ths dollars (\$78.21) per account per month. For services six inches (6") in size, the minimum charge shall be three hundred eleven and 95/100ths dollars (\$311.95) per account per month. For services eight inches (8") in size, the minimum charge shall be five hundred fifty-two and 98/100's dollars (\$552.98) per account per month. For services ten inches (10") in size, the minimum charge shall be eight hundred sixty-six and 32/100's dollars (\$866.32) per account per month. In addition each customer shall pay at the rate of one and 04/100ths dollars (\$1.04) per one thousand gallons for no more than eleven thousand five hundred (11,500) gallons per month. For amounts of water used in excess of eleven thousand five hundred (11,500) gallons per month, the customer shall pay, in addition the rate of one and 40/100ths dollars (\$1.40) per one thousand (1,000) gallons of water used over eleven thousand five hundred (11,500) gallons per month. "Account" as used in this subsection shall mean each meter connection whether serving one (1) business or multiple businesses under one (1) or multiple ownership.

(c)For any standby service, including fire sprinkler systems, the availability charge to each customer shall be seventy-eight and 21/100ths dollars (\$78.21) per month per account.

(d)As a condition of and prior to the issuance of any building permit for the construction of a building where water service is to be utilized, but where no water meter has been installed, the person to whom such permit is issued shall pay an on-site construction water charge for each service of fifty-three and 29/100ths dollars (\$53.29) per building per two (2) months, for a period of time not to exceed six (6) months provided the permittee installs, at his cost, an approved spacer. At the conclusion of said six (6) months, water service will only be provided after the installation of a water meter in accordance with the regulations and rates set forth in this article. The spacer shall become the property of the City.

During any declared state of emergency by the State or City related to potable water conditions that mandate water conservation in the City, when State or Federal regulations that mandate water conservation in the City are in effect, or during local water shortages, the following rates are effective. As a condition of and prior to the issuance of any building permit for the construction of a building where water service is to be utilized, but where no water meter has been installed, the person to whom such permit is issued shall pay an on-site construction water charge for each service of sixty-six and 35/100ths dollars (\$66.35) per building per two (2) months, for a period of time not to exceed six (6) months provided the permittee installs, at his cost, an approved

spacer. At the conclusion of said six (6) months, water service will only be provided after the installation of a water meter in accordance with the regulations and rates set forth in this article. The spacer shall become the property of the City.

(e) Any person receiving a permit to take water from a fire hydrant shall pay a minimum fee of thirty-one and 09/100ths dollars (\$31.09) per month, or portion thereof, under such permit, and in addition each customer shall pay at the rate of 86/100ths dollars (\$0.86) per one thousand gallons for no more than eleven thousand five hundred (11,500) gallons per month. For amounts of water used in excess of eleven thousand five hundred (11,500) gallons per month, the customer shall pay, in addition the rate of one and 17/100ths dollars (\$1.17) per one thousand (1,000) gallons of water used over eleven thousand five hundred (11,500) gallons per month.

During any declared state of emergency by the State or City related to potable water conditions that mandate water conservation in the City, when State or Federal regulations that mandate water conservation in the City are in effect, or during local water shortages, the following rates are effective. Any person receiving a permit to take water from a fire hydrant shall pay a minimum fee of thirty-one and 09/100ths dollars (\$31.09) per month, or portion thereof, under such permit, and in addition each customer shall pay at the rate of one and 04/100ths dollars (\$1.04) per one thousand gallons for no more than eleven thousand five hundred (11,500) gallons per month. For amounts of water used in excess of eleven thousand five hundred (11,500) gallons per month, the customer shall pay, in addition the rate of one and 40/100ths dollars (\$1.40) per one thousand (1,000) gallons of water used over eleven thousand five hundred (11,500) gallons per month.

(f) Annual adjustment. The monthly user rates and minimum charges as provided in this section shall be adjusted beginning July 1, 2017 and annually each July 1 thereafter by three percent (3%). Prior to June 30 of each year beginning in 2017, the Public Utilities Director shall evaluate the water fund balance and if adequate without the annual adjustment or with a lesser adjustment or with a rate reduction, shall recommend to the City Council a suspension or reduction of the rate adjustment or rate reduction for the next fiscal year.

6.5.104 Water rates outside the City.

(a) The charge for each outside the City water system user shall be at the rate paid by inside the City water system users established by this article except as otherwise provided by this article or by resolution adopted by the City Council.

(b) Each customer located within the former Fresno County Waterworks District No. 8, now called Tarpey Village, connected to the City's water system shall pay, as a condition of water service, the following rates for two (2) months.

(1)For each unmetered customer occupying up to a seventeen-thousand-five-hundred (17,500) square-foot lot and utilizing a one inch (1") service connection the customer shall pay one hundred six and 58/100ths dollars (\$106.58) per service connection per two (2) months. For up to every additional seven thousand five hundred (7,500) square feet in excess of seventeen thousand five hundred (17,500) square feet per lot, the customer shall pay an additional five and 12/100ths dollars (\$5.12) per two (2) months. An additional charge of five and 12/100ths dollars (\$5.12) shall be paid for every one-quarter inch (1/4") in excess of a one inch (1") service per two (2) months. For system-wide water production in excess of sixty-three thousand (63,000) gallons per service connection per two (2) months, each customer shall pay an additional one and 78/100s dollars (\$1.78) per one thousand (1,000) gallons produced per service connection.

During any declared state of emergency by the State or City related to potable water conditions that mandate water conservation in the City, when State or Federal regulations that mandate water conservation in the City are in effect, or during local water shortages, the following rates are effective. For each unmetered customer occupying up to a seventeen-thousand-five-hundred (17,500) square-foot lot and utilizing a one inch (1") service connection the customer shall pay one hundred thirty-two and 70/100ths dollars (\$132.70) per service connection per two (2) months. For up to every additional seven thousand five hundred (7,500) square feet in excess of seventeen thousand five hundred (17,500) square feet per lot, the customer shall pay an additional five and 12/100ths dollars (\$5.12) per two (2) months. An additional charge of five and 12/100ths dollars (\$5.12) shall be paid for every one-quarter inch (1/4") in excess of a one inch (1") service per two (2) months. For system-wide water production in excess of sixty-three thousand (63,000) gallons per service connection per two (2) months, each customer shall pay an additional two and 49/100s dollars (\$2.49) per one thousand (1,000) gallons produced per service connection.

(2)For the use of water-cooled air conditioning in a building the customer shall pay nineteen and 46/100ths dollars (\$19.46) per ton of cooling capacity per two (2) months. For the use of cooling towers, the customer shall pay three and 08/100ths dollars (\$3.08) per ton of cooling capacity or per horsepower per two (2) months. For the use of heat pumps, the customer shall pay twenty-five and 60/100ths dollars (\$25.60) per ton of cooling capacity or per horsepower per two (2) months.

(3)For any standby service, including fire sprinklers, the customer shall pay an availability charge of one hundred fifty-six and 42/100ths dollars (\$156.42) per two (2) months.

(4)Any metered Tarpey Village customer shall pay the same rates as customers located within the City.

(c) Annual adjustment. The monthly user rates and minimum charges as provided in this section shall be adjusted beginning July 1, 2017 and annually each July 1 thereafter by three percent (3%). Prior to June 30 of each year beginning in 2017, the

Public Utilities Director shall evaluate the water fund balance and if adequate without the annual adjustment or with a lesser adjustment or with a rate reduction, shall recommend to the City Council a suspension or reduction of the rate adjustment or a rate reduction for the next fiscal year.

6.5.105 Utility bills.

Regular utility bills shall be issued on a bimonthly basis according to the billing dates established by the Director of Finance. Utility bills shall include charges for all city utility services.

(a)Payment. All charges for water shall be due and payable on the billing date. All unpaid water charges shall become delinquent at 5:00 p.m. on the thirtieth (30th) day after the billing date as indicated on the utility bill.

(b)Proration. The charges for water shall be prorated to the nearest ten percent (10%) of the billing period as determined by the date of the starting and ending of service as recorded by the Finance Department upon notification to the Finance Department by the owner or occupant. The proration shall apply to the unmetered flat rate for Tarpey Village customers and for metered customers the proration shall apply to the eleven thousand five hundred (11,500) gallons, and the twenty thousand (20,000) gallons with any water used in excess of the prorated levels charged at the excess rates as provided in this article.

(c)Meter failures. If a meter fails to register during any billing period or is known to register inaccurately, the consumer shall be charged on the basis of the consumption as shown by the meter when in use and registering accurately over a period of one (1) year or, in the event the consumer has not received water for a period of one full year, then over such lesser period.

(d)Consumers' dissatisfaction with meters. In case of a consumer's dissatisfaction with the registration of any meter, the consumer shall make a written complaint to the Director of Finance, together with a deposit of eighty-four and no/100ths dollars (\$84.00), which sum will be returned and the water bill equitably adjusted for a period of not to exceed the prior twelve (12) months in any case where the meter shall be found to register over three percent (3%). The eighty-four and no/100ths dollar (\$84.00) deposit shall be retained by the City and the water bill paid as rendered if the meter is found to register less than three percent (3%) more than the amount of water which actually passes through the meter, the deposit shall be forfeited and the bill equitably adjusted for a period of not to exceed the prior twelve (12) months.

(e)Billing errors. In the event a clerical error or other circumstance occurs which creates an inaccurate billing for service charges, an adjustment shall be made in the customer's

bill for a period not to exceed the maximum period as provided in the Code of Civil Procedure, either in the customer's favor or the City's favor.

6.5.107 Collection charges.

(a) In the event a utility bill is not paid on or before the tenth (10th) day after the bill becomes delinquent, the water service shall be disconnected. On the eleventh day after the bill becomes delinquent the following fees, in addition to the amount of the utility bill, shall be charged:

(1) For the first such delinquency in a twelve (12) month period, five and no/100ths dollars (\$5.00);

(2) For the second such delinquency in a twelve (12) month period, fifteen and no/100ths dollars (\$15.00); and

(3) For the third such delinquency in a twelve (12) month period, twenty-five and no/100ths dollars (\$25.00), plus a deposit as required by Section 6.5.102 of this article.

(b) If water service has been disconnected for failure to pay a utility bill as set forth in subsection (a) of this section, the entire amount of the water bill and all fines and penalties provided hereunder shall be paid in full before water service is restored:

(1) To turn on water after the first disconnection in a thirty-six (36) month period, twenty-five and no/100ths dollars (\$25.00);

(2) To turn on water after the second disconnection in a thirty-six (36) month period, thirty-five and no/100ths dollars (\$35.00);

(3) To turn on water after a third and subsequent disconnection in a thirty-six (36) month period, fifty and no/100ths dollars (\$50.00);

(4) A fee of twenty-five and no/100ths (\$25.00) Dollars shall be charged on all returned checks in payment of utility charges; and

(5) In addition to any other fees or charges provided in this section, any customer requesting a turn-on of water on any Saturday, Sunday, legal holiday or before the hour of 8:00 a.m. or after the hour of 1:00 p.m. of any day, shall pay an additional charge of one hundred seventy-four and no/100ths (\$174.00) Dollars for such turn-on.

(6) Customers who have their water turned off due to non payment on a regularly scheduled water shutoff day will be charged a same day turn-on fee of sixty and no/100ths (\$60.00) Dollars to have their water turned on that day. No additional charge will be assessed to the customer for next day turn-on.

(c)Accounts shall be subject to collection of any delinquent fees and charges in the following manner:

(1)At the time the fees become delinquent and until such time they are fully paid, the delinquent account balance, including late charges, shall constitute an unrecorded lien against the property and, as such, may be identified during a title search. For commercial businesses, delinquent account balances, including late charges, may be considered an unrecorded lien against the business name and/or owner of the business.

(2)Once a year there may be prepared a report of delinquent fees including late charges. The Council shall fix a time, date and place for hearing the report and receive any objections or protests thereto.

(3)The Council shall cause notice of hearing to be mailed to the landowners listed on the report not less than 15 days prior to the date of the hearing.

(4)At the hearing the Council shall hear any objections or protests of landowners liable to be assessed for delinquent fees including late charges and administrative fees, as set by resolution of the City Council. The Council may make revisions or corrections to the report as it deems just, after which, by resolution, the report shall be confirmed.

(5)The delinquent fees set forth in the report as confirmed shall constitute special assessments against the respective parcels of land and are a lien on the property for the amount of such delinquent fees including late charges. A certified copy of the resolution confirming the assessments shall be filed with the County Recorder and the County Auditor-Controller/Tax Collector for the amounts of the respective assessments against the respective parcels as they appear on the current assessment roll. The lien created attaches upon filing. The assessments shall be collected at the same time and in the same manner as other property taxes and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for such taxes. All laws applicable to the levy, collection and enforcement of property taxes shall be applicable to such assessments. However, if, for the first year for which the charges are prescribed, the property served by the City has been transferred or conveyed to a bona fide purchaser for value, and attached thereon, prior to the date on which the first installment of county taxes would become delinquent, the charge will not result in a lien against the real property, but shall become transferred to the unsecured roll for collection.

(6)In addition to, or alternatively to, imposing a lien, the City may file an action for the collection of any amounts due and unpaid. In any such action, the delinquent balances may also be processed through a collection agency.

(7)The provisions of this section shall be applicable, in addition to this Article, to the fees and charges arising from service provided under Articles 3 and 4 of this Chapter.

Section 3 Effective July 1, 2016, Section 6.8.12 of Chapter 6.8 of Title 6 of the Clovis Municipal Code is hereby amended to read as follows:

Section 6.8.12 Recycled Water Rates

Each customer connected to the City's recycled water system shall pay, as a condition of recycled water service, the following rates for one (1) month of service:

(a) For all customers who concurrently have potable water service serving the Use Area, the charge shall be fifty-three cents (\$0.53) per 1,000 gallons of recycled water received. During any declared state of emergency by the State or City related to potable water conditions that mandate water conservation in the City, when State or Federal regulations that mandate water conservation in the City are in effect, or during local water shortages, the following rates are effective. For all customers who concurrently have potable water service serving the Use Area, the charge shall be fifty-six cents (\$0.56) per 1,000 gallons of recycled water received.

(b) For customers who do not have potable water service concurrently serving the Use Area, the minimum charge shall be eight and 55/100ths (\$8.55) Dollars per account per month for RW services one inch or smaller in size. For RW services one and one-half inches in size, the minimum charge shall be eleven and 37/100ths (\$11.37) Dollars per account per month. For RW services two inches in size, the minimum charge shall be fifteen and 70/100ths (\$15.70) Dollars per account per month. For RW services three inches in size, the minimum charge shall be thirty-one and 09/100ths (\$31.09) per account per month. For RW services four inches in size, the minimum charge shall be seventy-eight and 21/100ths (\$78.21) Dollars per account per month. For RW services six inches in size, the minimum charge shall be three hundred eleven and 95/100ths (\$311.95) Dollars per account per month. For RW services eight inches in size, the minimum charge shall be five hundred fifty-two and 98/100ths (\$552.98). For RW services ten inches in size, the minimum charge shall be eight hundred sixty-six and 32/100ths (\$866.32). In addition the customer shall pay at the rate of fifty-three (\$0.53) cents per 1,000 gallons of water used. Account as used in this subsection shall mean each meter connection.

During any declared state of emergency by the State or City related to potable water conditions that mandate water conservation in the City, State or Federal regulations that mandate water conservation in the City, or during local water shortages, the following rates are effective. For customers who do not have potable water service concurrently serving the Use Area, the minimum charge shall be eight and 55/100ths (\$8.55) Dollars per account per month for RW services one inch or smaller in size. For RW services one and one-half inches in size, the minimum charge shall be eleven and 37/100ths (\$11.37) Dollars per account per month. For RW services two inches in size,

the minimum charge shall be fifteen and 70/100ths (\$15.70) Dollars per account per month. For RW services three inches in size, the minimum charge shall be thirty-one and 09/100ths (\$31.09) per account per month. For RW services four inches in size, the minimum charge shall be seventy-eight and 21/100ths (\$78.21) Dollars per account per month. For RW services six inches in size, the minimum charge shall be three hundred eleven and 95/100ths (\$311.95) Dollars per account per month. For RW services eight inches in size, the minimum charge shall be five hundred fifty-two and 98/100ths (\$552.98). For RW services ten inches in size, the minimum charge shall be eight hundred sixty-six and 32/100ths (\$866.32). In addition the customer shall pay at the rate of fifty-six (\$0.56) cents per 1,000 gallons of water used. Account as used in this subsection shall mean each meter connection.

(c) For a customer who receives recycled water by a gravity connection, the charge shall be six cents (\$0.06) per 1,000 gallons of recycled water received. If that customer at the time of connection to the recycled water system utilizes untreated surface water to irrigate landscape or crops, and transfers the property's surface water entitlement to the City, the charge shall be one cent (\$0.01) per 1,000 gallons of recycled water received.

During any declared state of emergency by the State or City related to potable water conditions that mandate water conservation in the City, State or Federal regulations that mandate water conservation in the City, or during local water shortages, the following rates are effective. For a customer who receives recycled water by a gravity connection, the charge shall be nine cents (\$0.09) per 1,000 gallons of recycled water received. If that customer at the time of connection to the recycled water system utilizes untreated surface water to irrigate landscape or crops, and transfers the property's surface water entitlement to the City, the charge shall be three cents (\$0.03) per 1,000 gallons of recycled water received.

(d) For a customer who at the time of connection to the recycled water system utilizes untreated surface water to irrigate landscape or crops, and who substitutes recycled water delivered by the pressure distribution system, and who transfers the property's surface water entitlement to the City, the charge shall be forty-six cents (\$0.46) per 1,000 gallons of recycled water received. This rate shall not apply to customers who are required to transfer their property's surface water entitlement to the City as a condition of development.

(e) Annual adjustment. The monthly user rates and minimum charges as provided in this section shall be adjusted beginning July 1, 2017 and annually each July 1 thereafter by three percent (3%). Prior to June 30 of each year beginning in 2017, the Public Utilities Director shall evaluate the water fund balance and if adequate without the annual adjustment or with a lesser adjustment or with a rate reduction, shall recommend to the City Council a suspension or reduction of the rate adjustment or rate reduction for the next fiscal year.

Section 4 This Ordinance shall go into effect and be in full force from and after thirty (30) days after its final passage and adoption.

APPROVED: _____, 2016

Mayor

City Clerk

* * * * *

The foregoing Ordinance was introduced and read at a regular meeting of the City Council held on _____, and was adopted at a regular meeting of said Council held on _____, by the following vote, to wit:

AYES:

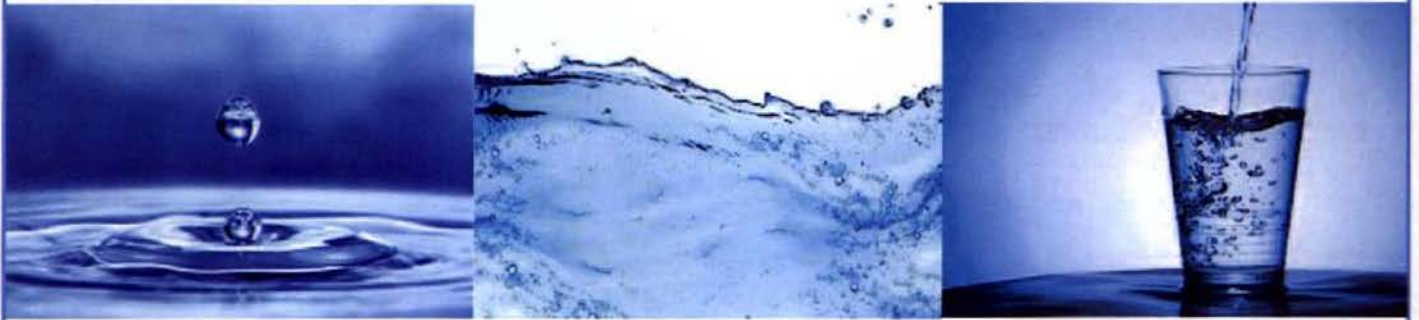
NOES:

ABSENT:

ABSTAIN:

DATED: _____, 2016

City Clerk



City of Clovis

WATER USER RATES & FEE STUDY

FINAL REPORT
February 2016



BARTLE WELLS ASSOCIATES

Independent Public Finance Consultants

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Berkeley, California 94703

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SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Study Overview

The City of Clovis (City) provides water service to a population of approximately 102,000 in an area encompassing more than 23 square miles in northeastern Fresno County, just west of the Sierra Nevada foothills and northeast of the City of Fresno. The City retained Bartle Wells Associates (BWA) to develop a water rate and miscellaneous fee study. BWA reviewed the City's current cost allocation and revenue recovery and developed recommendations for the City's tiered rate structure.

The water rates presented in this report were developed through a collaborative process with considerable input from City staff. The study incorporates American Water Works Association (AWWA) recommended methodologies tailored to meet the City's unique characteristics and develops water rates that proportionately allocate the cost of providing water service to each customer class. The objectives of the water rate study are to:

- Recover the City's annual revenue requirement and cost of providing water service
- Develop a water rate structure that proportionately allocates the cost of service to all customers and encourages water use efficiency and conservation
- Comply with the legal requirements of Proposition 218

This executive summary describes the procedural requirements of Proposition 218, details the rate study process, and provides conclusions and rate recommendations.

1.2 Current Water Rate Structure

The current water rates are based on a rate structure which includes both fixed charges based on meter size or number of dwelling units and a volumetric component based on bimonthly water consumption.

1. **Fixed Rates** – Fixed rates are levied regardless of water consumption. Each residential customer pays a fixed dwelling unit charge, which includes the first 10,000 gallons of water used during the bimonthly billing period. The fixed charge for each commercial customer varies based on meter size. The fixed commercial charges also include the first 10,000 gallons of water used in the billing period.

2. **Volumetric Rates** – Volumetric rates are billed to each thousand gallons of metered water use consumed over the first 10,000 in the bimonthly billing period. The City has an inclining block rate structure, in which use at higher level is billed a higher rate. The City's residential volumetric rate has four inclining block tiers, and the commercial volumetric rate has two inclining block tiers.

1.3 Procedural Requirements of Proposition 218

Proposition 218, the "Right to Vote on Taxes Act", was approved by California voters in November 1996 and is codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 establishes requirements for imposing any new or increasing any existing property-related fees and charges. For many years, there was no legal consensus on whether water service fees met the definition of "property-related fees." In July 2007, the California Supreme Court essentially confirmed that Proposition 218 applies to water service fees.

The City must follow the procedural requirements of Proposition 218 for all water rate increases. These requirements include:

1. **Noticing Requirement** – The City must mail a notice of the proposed rate increases to all affected property owners. The notice must specify the amount of the fee, the basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.
2. **Public Hearing** – The City must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. **Rate Increases Subject to Majority Protest** - At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established a number of substantive requirements that apply to water rates and charges, including:

1. **Cost of Service** - Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the "cost of service".
2. **Intended Purpose** - Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** - The amount of the fee or charge levied on any customer

shall not exceed the proportional cost of service attributable to that customer.

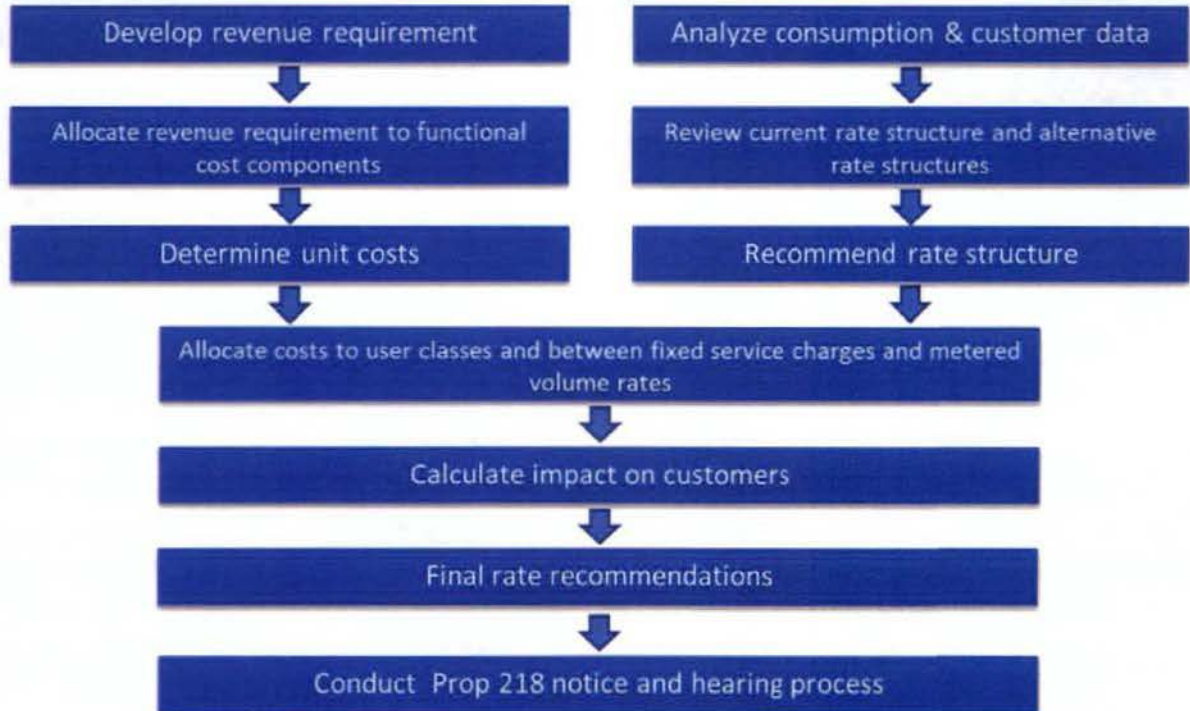
4. **Availability of Service** - No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services** - No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for water, sewer, and refuse collection are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to procedural requirements of Proposition 218.

1.4 Rate Study Process

This section details the development of the City's water rates and compliance with Proposition 218 through a comprehensive cost of service and rate design study process as shown in the following figure.

Figure 1: Comprehensive Cost of Service Study Process



The following is a brief description of the water rate study process:

- **Revenue Requirement** – The water fund revenue requirement was developed from the City budget and in consultation with staff. Based on the best information currently available, the revenue requirement is funding recovered through water rates needed to cover the costs of operations, maintenance, debt service, capital improvements, and to maintain water fund reserves.
- **Cost of Service Allocation** - The cost of service allocation assigns the revenue requirement to functional cost components which are then allocated to the various customer classes. The functional cost components are customer service, capacity, water volume, water quality, and recycled water. This process is intended to proportionately allocate costs associated with each customer class based on the demand that they place on the system.
- **Rate Design** - Rate design involves developing a rate structure that proportionately recovers costs from water system customers. Final rate recommendations are designed to (a) fund the utility's short- and long-term costs of providing service; (b) proportionately allocate costs to all customers and customer classes; (c) provide a prudent balance of revenue stability and conservation incentive; and (d) comply with the substantive requirements of Proposition 218.

1.5 Findings and Recommendations

The findings and recommendations presented in this report were developed with substantial input and overview from City staff. The rate recommendations include modifications to the cost of service allocation and water rates. The final rates are designed to recover the water utility's cost of service and proportionately recover costs from all customer classes.

1.5.1 Revenue Requirement

The rate proposal described in this report is revenue neutral. Fiscal year (FY) 2015, the water fund collected about \$13.7 million in revenue from fixed charges, volume rates, and miscellaneous fees. This rate study proposes to collect the same amount of revenue in FY2017. Although the revenue requirement is the same, the water rates are proposed to increase for most customers. Due to projected drought conditions, the City must collect the same amount of revenue over a smaller base of water use.

1.5.2 Cost Allocation

BWA proposes the base-extra capacity cost allocation method for the City of Clovis' water rates. Under this method, costs are assigned to average day demand, peak day demand (peak day), peak hour demand (peak hour). In addition, this rate study also assigns costs to water quality, customer service, and recycled water. A summary of the treated water functional cost components, units of service, and the corresponding rate or charge is shown in Figure 2.

Figure 2: Summary of Cost Allocation

Functional Cost Component	Unit of Service	Rate or Charge
Customer service	Number of meters or dwelling units	Fixed charge
Quality	Number of dwelling units or meter equivalents	Fixed charge
Volume	Metered water use	Tiered water rates (all tiers)
Average day demand	Number of dwelling units or meter equivalents	Fixed charge
Peak day demand	Peaking day metered water use	Residential tier 2 water rate Commercial tier 2 water rate
Peak hour demand	Peak hour metered water use	Residential tier 3 water rate Commercial tier 2 water rate
Recycled water	Recycled water metered use	Recycled water rate

The result of the cost allocation is a shift in cost from commercial customers to residential customers and higher cost recovery from fixed charges. The proposed fixed charges are intended to recover the costs of customer service, water quality, and average day demand. The volumetric based water rates are intended to recover the costs of volume related costs (water pumping and treatment) and peaking costs.

1.5.3 Rate Design

This rate study proposes three rate design changes:

- 1) A new schedule of drought rates.
- 2) Elimination of the 10,000 gallon water allowance included with the minimum charge.
- 3) Adjustment of the water usage tiers.

This rate study provides both drought and non-drought proposed rates. In response to the drought, it is proposed that the City adopt drought rates (higher rates) based on reduced water use. If drought conditions improve and water use returns to 2013 levels, the City can transition to the non-drought rates. Proposition 218 describes a process for public agencies to adopt legal maximum water rates through noticing and a public hearing. Agencies have the option to implement lower rates than those approved via the Proposition 218 process without conducting additional noticing or public hearings.

Currently, the first 10,000 gallons of water use each bimonthly billing period is included in the minimum fixed charge. The water allowance is proposed to be eliminated such that every 1,000 gallons of water use is charged a metered rate. This rate change improves equity for low water users. Under the current rate structure, a low water user pays the fixed charge for 10,000 gallons bimonthly whether or not the customer actually uses that water.

Tiered water rates have come under increased legal scrutiny in California. Each tier breakpoint must be justified based on water usage patterns and the rate for each tier must be cost justified. For the residential customer class, BWA proposes three tiers: tier 1 – base volume rate, tier 2 – volume rate plus peak day demand costs, and tier 3 – volume rate plus peak hour demand costs. For the commercial customer class, BWA proposes to maintain the two tier rate structure: tier 1 – base volume rate and tier 2 – volume rate plus peaking costs.

1.5.4 Miscellaneous Fees

This study also provides a review of the water fund's miscellaneous fees including the water meter testing, after hours turn-on, and same day turn-on for water shutoffs. These fees are proposed to be increased based on the actual staffing and materials costs of providing these services, see Table 1-1.

**Table 1-1: Current and Proposed Miscellaneous Fees
Water User Rates and Fee Study
City of Clovis**

Service Fees and Collection Charges	Current Fee	Proposed Fee
Meter testing	\$60.00	\$84.00
After hours turn on	\$125.00	\$174.00
Same day turn-on for water shutoffs	\$50.00	\$60.00

1.5.5 Conclusions and Proposed Rates

Industry standard practice generally recommends that water agencies conduct cost of service analyses every five years. This corresponds with the five year rate horizon permitted under Proposition 218. A five-year planning horizon can encompass shifts in the customer base, water consumption patterns, conservation needs, capital improvement planning, and legal requirements.

This 2016 Water User Rates & Fees Study documents the City's cost of service allocation and rate design principles. It is BWA's opinion that the rates and charges proposed in this report meet Proposition 218's substantive requirements that rates must be fairly apportioned to customers based on cost. The proposed rates recover a larger portion of revenues from fixed service charges and a smaller portion of revenues from volume rates. This benefits the City by stabilizing revenues and mitigating the loss of revenue due to conservation. However, this shift results in higher bills for low water users.

The current, proposed non-drought, and proposed drought rates are shown below in Table 1-2. The drought and non-drought fixed charges are the same. Under the drought scenario, the volume rates are higher than the non-drought rate scenario reflecting the recovery of costs over a smaller base of water use. Table 1-3 provides bill impacts for the typical single family customer. Under the non-drought rate scenario, the typical single family residential customer would pay \$0.93 more bimonthly. The typical bill under the drought scenario is dependent upon how much the customer conserves. If the typical customer reduces water use by 15%, the resulting bill would be \$0.73 less than the non-conserving typical bill under current rates.

**Table 1-2: Current and Proposed Water Rates
Water User Rates and Fee Study
City of Clovis**

	Current	Proposed Non-drought	Proposed Drought
Residential			
Dwelling Unit Charge	\$16.80	\$21.22	\$21.22
Water Use			
Current			
Tier 1 (0-10) (\$/kgal)	\$0.00		
Tier 2 (10-35) (\$/kgal)	\$1.71		
Tier 3 (35-70) (\$/kgal)	\$2.14		
Tier 4 (70+) (\$/kgal)	\$2.57		
Proposed			
Tier 1 (0-23) (\$/kgal)		\$0.86	\$1.04
Tier 2 (23-40) (\$/kgal)		\$1.45	\$2.10
Tier 3 (40+) (\$/kgal)		\$1.78	\$2.66
	(70kgal)	(63kgal)	(63kgal)
Tarpey Unmetered	\$100.20	\$106.58	\$132.70
Tarpey Large Lot	\$4.66	\$5.12	\$5.12
Tarpey Excess Use Charges (\$/kgal)	\$1.73	\$1.78	\$2.49
Commercial & Recycled Water			
1" or smaller	\$16.80	\$17.10	\$17.10
1 1/2"	\$28.32	\$22.74	\$22.74
2"	\$42.16	\$31.40	\$31.40
3"	\$79.06	\$62.18	\$62.18
4"	\$120.62	\$156.42	\$156.42
6"	\$466.66	\$623.90	\$623.90
8"	\$812.70	\$1,105.96	\$1,105.96
10"	\$1,274.12	\$1,732.64	\$1,732.64
Commercial Water Use			
Current			
Tier 1 (0-10) (\$/kgal)	\$0.00		
Tier 2 (10+) (\$/kgal)	\$1.47		
Proposed			
Tier 1 (0-23) (\$/kgal)		\$0.86	\$1.04
Tier 2 (23+) (\$/kgal)		\$1.17	\$1.40
Recycled Water			
Current			
Tier 1 (0-10) (\$/kgal)	\$0.00		
Tier 2 (10+) (\$/kgal)	\$0.74		
Proposed All Use (\$/kgal)		\$0.53	\$0.56
Construction Water	\$91.58	\$106.58	\$132.70

**Table 1-3: Average Single Family Residential Bill Impacts
Water User Rates and Fee Study
City of Clovis**

Typical Single Family Residential Bill
27,000 gallons bimonthly water use

Current					Proposed – Non-drought				
	Rate		Units	Total		Rate		Units	Total
Fixed Charge	\$16.80	x	1	\$16.80	Fixed Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$0.86	x	23	\$19.78
Tier 2 (10-35)	\$1.71	x	17	\$29.07	Tier 2 (23-40)	\$1.45	x	4	\$5.80
Tier 3 (35-70)	\$2.14	x	0	\$0.00	Tier 3 (40+)	\$1.78	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$45.87	Total Bill				\$46.80
								Change	\$0.93

Typical Single Family Residential Bill
27,000 gallons bimonthly water use reduced to 23,000 gallons bimonthly

Current					Proposed - Drought				
	Rate		Units	Total		Rate		Units	Total
Fixed Charge	\$16.80	x	1	\$16.80	Fixed Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$1.04	x	23	\$23.92
Tier 2 (10-35)	\$1.71	x	17	\$29.07	Tier 2 (23-40)	\$2.10	x	0	\$0.00
Tier 3 (35-70)	\$2.14	x	0	\$0.00	Tier 3 (40+)	\$2.66	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$45.87	Total Bill				\$45.14
								Change	(\$0.73)

SECTION 2: CURRENT RATE REVENUES

The following section provides an overview of the City's current water rates, customers, water usage, and revenues.

FY2015, the City collected about \$13.7 million in water service charges comprised of both fixed water charges and volume water rates, see Table 2-1. The residential customer class includes single family, multifamily, and Tarpey residential unmetered customers. Single family and multifamily customers are billed a fixed minimum charge of \$16.80 bimonthly that includes a water allowance of 10,000 gallons for each dwelling unit. For example, a duplex would pay a fixed charge of \$33.60 bimonthly, which includes 20,000 gallons of water use. Water use above the water allowance per dwelling unit is billed per thousand gallons (kgal). Water use above 10,000 gallons up to 35,000 gallons is billed \$1.71/kgal; water use above 35,000 gallons up to 70,000 gallons is billed \$2.14/kgal; and water use above 70,000 gallons bimonthly is billed \$2.57/kgal.

The water rates listed above apply to metered single family residential and multifamily residential customers. The residential customer class also includes 428 unmetered residential customers in the Tarpey service area. The City provides one master metered service connection for all 428 customers. Each Tarpey parcel up to 17,500 square feet is billed \$100.20 bimonthly for water use up to 70,000. Larger parcels are billed an additional fixed charge of \$4.66 bimonthly per 7,500 square feet. If the average use per dwelling unit in the Tarpey service area exceeds 70,000 bimonthly, the City bills the excess use at a rate of \$1.73/kgal.

The commercial customer class is made up of businesses, landscape customers, standby fire meters, and recycled water customers. Commercial customers are billed fixed charges based on the size of the meter ranging from \$16.80 bimonthly for a 1" meter or smaller to \$1,274.12 bimonthly for a 10" meter. Commercial customers are also provided a water allowance of 10,000 gallons bimonthly, which is included in the base fixed charge. Water use above 10,000 gallons bimonthly is billed at a rate of \$1.47/kgal.

Recycled water service is a relatively new service for the City of Clovis. In FY2015, the City had only a handful of customers and minimal recycled water rate revenues. Into the future, the City expects additional landscape customers to transition from treated water service to recycled water service. Recycled water service provides benefit to the utility and to the customer. Recycled water demand offsets peak treated water potable demand and is thus charged a lower metered rate than commercial potable service.

Table 2-1: FY2015 Water Service Charge Revenues
Water User Rates and Fee Study
City of Clovis

	Current - FY2015		
	Rate	Units	Revenue
Residential			
Dwelling Unit Charge	\$16.80	231,253	\$3,885,050
Water Use			
Tier 1 (0-10)	\$0.00	2,089,571	\$0
Tier 2 (10-35)	\$1.71	2,372,347	\$4,056,713
Tier 3 (35-70)	\$2.14	753,228	\$1,611,908
Tier 4 (70+)	\$2.57	<u>176,126</u>	<u>\$452,644</u>
Total Metered Residential		5,391,272	\$6,121,265
Tarpey Unmetered	\$100.20	2,599	\$260,420
Tarpey Large Lot	\$4.66	180	\$839
Tarpey Excess Use Charges	\$1.73	20,685	<u>\$35,786</u>
Total Unmetered Residential			\$297,044
Total Residential			\$10,303,360
Potable Commercial			
1" or smaller	\$16.80	3,491	\$58,649
1 1/2"	\$28.32	1,920	\$54,374
2"	\$42.16	5,354	\$225,725
3"	\$79.06	353	\$27,908
4"	\$120.62	3,145	\$379,350
6"	\$466.66	31	\$14,466
8"	\$812.70	0	\$0
10"	\$1,274.12	12	\$15,289
Commercial adjustments and back charges			<u>\$168,686</u>
			\$944,448
Water Use			
Tier 1 (0-10)	\$0.00	78,780	\$0
Tier 2 (10+)	\$1.47	<u>1,374,813</u>	<u>\$2,020,975</u>
		1,453,593	\$2,020,975
Total Potable Commercial			\$2,965,423
Recycled Water			
2"	\$42.16	49	\$2,066
3"	\$79.06	26	\$2,016
4"	\$120.62	31	\$3,679
6"	\$466.66	3	\$1,167
8"	\$812.70	5	\$4,064
10"	\$1,274.12	0	\$0
			\$12,991
Water Use			
Tier 1 (0-10)	\$0.00	84	\$0
Tier 2 (10+)	\$0.74	<u>56,771</u>	<u>\$42,011</u>
		56,855	\$42,011
Total Recycled Water			\$55,001
Construction Water	\$91.58	805	\$73,722
3" Meters (billed separately)	\$79.06	206	\$16,286
Subtotal			\$13,413,792
Miscellaneous fees and other charges			
Total Service Charges			\$297,554
Actual FY2015			\$13,711,346

Table 2-2 provides a summary of the FY2015 rate revenues separated by customer class and fixed and volume service charges. Residential rate revenues make up over 75% of the total rate revenues, commercial rate revenues make up above 22%, and miscellaneous and other service

charge make up over 2% of rate revenues. Fixed service charges make up 40% of the total service charges and volume rate revenues make up 60%. Most public water utilities in California collect between 50% and 70% of their service charge revenues through volume rates. By collecting a higher percent of revenues through volume rates, agencies provide a stronger conservation price signal to customers. However, agencies that collect a higher percent of revenues through fixed charges promote greater revenue stability.

Table 2-2: FY2015 Rate Revenue Summary
Water User Rates and Fee Study
City of Clovis

Rate Category	Residential		Commercial	Misc. & Other Service Charges	Total	
Fixed Service Charges	\$4,146,309	[1]	\$1,047,447	\$297,554	\$5,491,310	40.0%
Volume Service Charges	<u>\$6,157,051</u>	[2]	<u>\$2,062,986</u>		<u>\$8,220,036</u>	<u>60.0%</u>
Total	\$10,303,360		\$3,110,433	\$297,554	\$13,711,346	100.0%
	75.1%		22.7%	2.2%	100.0%	

[1] Includes Tarpey unmetered base and large lot service charge revenues

[2] Includes Tarpey excess use charges

SECTION 3: REVENUE REQUIREMENT

This section develops the water fund revenue requirement. The rates proposed in this report were developed using generally accepted cost-based principles and methodologies for establishing water rates, charges, and fees contained and discussed in the AWWA's *M1 Manual, Principles of Water Rates, Fees, and Charges, Sixth Edition, 2012*. In developing water rates, it is important to know that there is no "one-size-fits-all" approach for establishing cost-based water rates. "Rather, as the first edition of the M1 Manual noted "the (M1 Manual) is aimed at outlining the basic elements involved in water rates and suggesting alternative rules of procedure for formulating rates, thus permitting the exercise of judgment and preference to meet local conditions and requirements."¹ The rates and cost of service approach recommended in this report are unique to the City and are the result of an extensive review process with staff.

BWA finds that the City's current water fund revenue requirement to be reasonable and appropriate. In FY2015, the City collected about \$13.7 million in water rate revenues and \$1.65 million from other revenue sources resulting in total water fund revenues of about \$15.3 million. About \$1.7 million was added to reserves, see Table 3-1.

Table 3-1 also projects the revenue requirement for FY2017. The City recently phased out its conservation penalties, which collected about \$200,000 in revenues in FY2015. This study proposes increases to the miscellaneous fee schedule and the miscellaneous fee revenue is estimated to increase from \$72,000 to \$75,000. Total non-rate revenues are projected to be about \$1.45 million.

The City projects a \$20,000 operating cost increase due to reclassification of recycled water expenses. Currently, about \$20,000 in recycled water pumping costs are imbedded in wastewater budget line items and cost responsibility will be shifted to the water fund. The City wishes to continue contributing annually to its reserves to fund a rate stabilization account, future groundwater recharge, and future capital infrastructure replacements. For FY2017, contribution to reserves is estimated to be \$1.44 million and the total rate revenue requirement is \$13.65 million. As costs increase into the future, the City should review and update the water fund revenue requirement.

¹ AWWA Manual M1 Manual, Principles of Water Rates, Fees, and Charges, Sixth Edition, 2012, page 5.

**Table 3-1: Cost of Service
Water User Rates and Fee Study
City of Clovis**

	FY2014/15 Actuals (unaudited)	Projected FY2016/17
Non-Rate Revenues		
Land Rental	\$41,000	\$41,000
Legal Settlements (treatment)	\$291,000	\$291,000
Entitlement, Inspection, Misc	\$40,000	\$40,000
New Service Installations	\$337,000	\$337,000
Water Service Penalties	\$670,000	\$670,000
Conservation Penalties	\$197,000	\$0
Misc Service Fees	<u>\$72,000</u>	<u>\$75,000</u>
Total Non-Rate Revenues	\$1,648,000	\$1,454,000
Operating Expenses		
Salaries, Benefits, Training	\$4,100,000	\$4,100,000
Vehicles	\$443,000	\$443,000
Well Energy	\$1,861,000	\$1,861,000
FID Surface Water Purchase	\$499,000	\$499,000
Treatment		
Treatment Energy	\$465,000	\$465,000
Treatment, Chlorine, GAC	\$661,000	\$661,000
Lab Services, DBCP Legal, Monitoring	\$218,000	\$218,000
General, Admin, Property, Services	\$978,000	\$978,000
Impact/Easement	\$518,000	\$518,000
Meters and Boxes	\$622,000	\$622,000
Recycled Water [1]	\$4,000	\$24,000
Repairs, Maint., Services and Supplies	\$464,000	\$464,000
Marketing	\$23,000	\$23,000
Other/Misc.	<u>\$82,000</u>	<u>\$82,000</u>
Operating Expenses	\$10,938,000	\$10,958,000
Transfers - Ongoing Capital		
Surface Water Treatment Debt	\$750,000	\$750,000
Membrane Replacement	\$290,000	\$290,000
Well Replacements	\$470,000	\$470,000
Main Replacements	\$200,000	\$200,000
Drought Contingency	<u>\$1,000,000</u>	<u>\$1,000,000</u>
Total	\$2,710,000	\$2,710,000
Net Expenses (Expenses Less Non-Rate Revenue)	\$12,000,000	\$12,214,000
Contribution to Reserves [2]	\$1,711,000	\$1,441,000
Total Rate Revenue Requirement	\$13,711,000	\$13,655,000

[1] Actual FY2015 recycled water cost was \$4,000. However, an additional \$20,000 in recycled water pumping expenses will be paid via the water fund annually

[2] Funding for rate stabilization, future groundwater recharge, and/or capital infrastructure replacement

SECTION 4: COST ALLOCATION

BWA proposes to allocate the \$13.65 million revenue requirement using base-extra capacity method. The American Water Works Association recommends two primary methods to classify costs among various customers: (1) the base-extra capacity method in which costs are allocated to the different customer classes proportionate to their use of the water system; and (2) the commodity-demand method in which costs are proportionately allocated to each customer class based on their peak demand. Although the two methods vary in the way that costs are allocated, both result in rates designed to recover the reasonable cost of service during periods of both average and peak demands. To determine the proportionate allocation of revenue recovery, this study allocates treated and untreated water system costs using the base-extra capacity method.

The base-extra capacity method is appropriate for the City of Clovis because a significant portion of engineering design and operational criteria are attributable to average day demand. As such, costs are first allocated between residential and commercial customers based on their contributions to average day demand. Second, costs are allocated to each customer class based on the class contribution to peak demands. BWA found that commercial customers had lower than expected average day demand due to unused standby fire meters.

In the AWWA's base-extra capacity method, costs are separated into four components: (a) base costs, (b) extra capacity costs, (c) customer costs, and (d) direct fire protection costs. However, the AWWA M1 encourages water purveyors to tailor the cost components to their specific characteristics. BWA recommends the following functional cost categories: (a) Average Day Demand, (b) Peak Day Demand, (c) Peak Hour Demand, (d) customer service, (e) volume, (f) water quality and (g) recycled water. The City's revenue requirements is allocated to base-extra capacity functional cost components based on AWWA guidance, industry standard practice, and the City's operations and engineering expertise. The proposed cost allocation was developed by City staff and is shown in Table 4-1 and is based on normal year (non-drought) water conditions. Several revenue requirement line items were allocated based on the staffing needs. Cost allocation based on staffing is provided in Table 4-2.

**Table 4-1: Cost Allocation
Water User Rates and Fee Study
City of Clovis**

Line #		FY2014/15	Allocation				Recycled Water	Allocation Methodology
		Actuals (unaudited)	Customer Service	Capacity	Volume	Quality		
Non-Rate Revenues								
1	Land Rental	\$41,000	0%	100%	0%	0%	0%	Capacity revenue
2	Legal Settlements (treatment)	\$291,000	0%	0%	0%	100%	0%	Water Quality revenue
3	Entitlement, Inspection, Misc	\$40,000	0%	100%	0%	0%	0%	Capacity revenue
4	New Service Installations	\$337,000	100%	0%	0%	0%	0%	Customer Service revenue
5	Water Service Penalties	\$670,000	100%	0%	0%	0%	0%	Customer Service revenue
6	Total Non-Rate Revenues	\$1,379,000	\$1,007,000	\$81,000	\$0	\$291,000	\$0	
Operating Expenses								
7	Salaries, Benefits, Training	\$4,100,000	21.1%	51.5%	14.6%	12.8%	0%	Based on staffing
8	Vehicles	\$443,000	21.1%	51.5%	14.6%	12.8%	0%	Based on staffing
9	Well Energy	\$1,861,000	0%	0%	100%	0%	0%	Volume expense
10	FID Surface Water Purchase	\$499,000	0%	100%	0%	0%	0%	Capacity cost
Treatment								
11	Treatment Energy	\$465,000	0%	0%	100%	0%	0%	Volume expense
12	Treatment, Chlorine, GAC	\$661,000	0%	0%	100%	0%	0%	Volume expense
13	Lab Services, DBCP Legal, Monitoring	\$218,000	0%	0%	0%	100%	0%	Water Quality expense
14	General, Admin, Property, Services	\$978,000	100%	0%	0%	0%	0%	Customer Service revenue
15	Impact/Easement	\$518,000	0%	100%	0%	0%	0%	Capacity cost
16	Meters and Boxes	\$622,000	100%	0%	0%	0%	0%	Customer Service revenue
17	Recycled Water	\$24,000	0%	0%	0%	0%	100%	Recycled water
18	Repairs, Maint., Services and Supplies	\$464,000	0%	100%	0%	0%	0%	Capacity cost
19	Marketing	\$23,000	0%	0%	100%	0%	0%	Volume expense
20	Other/Misc.	\$82,000	25%	75%	0%	0%	0%	Staff judgement
21	Operating Expenses	\$10,958,000	\$2,577,616	\$3,883,661	\$3,674,420	\$798,302	\$24,000	
Transfers - Ongoing Capital								
22	Surface Water Treatment Debt	\$750,000	0%	100%	0%	0%	0%	Capacity cost
23	Membrane Replacement	\$290,000	0%	0%	100%	0%	0%	Volume expense
24	Well Replacements	\$470,000	0%	0%	100%	0%	0%	Volume expense
25	Main Replacements	\$200,000	0%	100%	0%	0%	0%	Capacity cost
26	Drought Contingency	\$1,000,000	0%	0%	100%	0%	0%	Volume expense
27	Total	\$2,710,000	\$0	\$950,000	\$1,760,000	\$0	\$0	
Net Expenses								
28	(Expenses Less Non-Rate Revenue)	\$12,289,000	\$1,570,616	\$4,752,661	\$5,434,420	\$507,302	\$24,000	
29	Cost Allocation	100.00%	12.8%	38.7%	44.2%	4.1%	0.2%	
	Proposed Revenue Requirement	\$13,655,000	\$1,745,200	\$5,280,950	\$6,038,490	\$563,692	\$26,668	

**Table 4-2: Allocation of Staffing Costs
Water User Rates and Fee Study
City of Clovis**

Water Staff	Salary	FTEs	Total Staffing Cost	Customer Service	Capacity	Volume	Quality
	\$162,780						
Public Utilities Director	0	0.3	\$48,834	25%	25%	25%	25%
	\$136,560						
Assistant Public Works Director	0	0.45	\$61,452	25%	25%	25%	25%
	\$102,360						
Utilities Manager	0	0.5	\$51,180	33%	33%	33%	0%
	\$102,360						
Construction Manager	0	0.3	\$30,708	50%	50%	0%	0%
	\$102,360						
Water Production Manager	0	1	\$102,360	0%	33%	33%	33%
Associate Civil Engineer	\$97,992	0.25	\$24,498	25%	25%	25%	25%
Management Analyst	\$84,972	0.2	\$16,994	25%	25%	25%	25%
Junior Engineer	\$79,440	1	\$79,440	25%	25%	25%	25%
Water Service Technician	\$73,800	1	\$73,800	0%	33%	33%	33%
Water Treatment Plant Operator	\$73,800	3	\$221,400	0%	33%	33%	33%
Maintenance Line Worker	\$72,348	3	\$217,044	33%	67%	0%	0%
Assistant Water Technician	\$65,856	4	\$263,424	0%	33%	33%	33%
Senior/Maintenance Worker [1]	\$59,196	10.6	\$627,478	9%	91%	0%	0%
Engineering Technician	\$58,716	1.25	\$73,395	33%	33%	33%	0%
Meter Reader	\$54,480	4	\$217,920	100%	0%	0%	0%
POA	\$51,264	0.45	\$23,069	25%	25%	25%	25%
Office Administrator	\$41,088	0.25	\$10,272	25%	25%	25%	25%
Utility Worker	\$36,144	2.75	\$99,396	0%	100%	0%	0%
			\$2,242,664		\$1,155,720	\$327,993	\$286,468
Total		34	4	\$472,483	0	3	8
Allocation			100%	21.1%	51.5%	14.6%	12.8%

[1] 1 FTE allocated to customer service/meter costs and 9.6 FTEs are allocated to capacity costs

Table 4-1 provides a general cost of service allocation that applies to the City's potable water customer base. The general cost of service includes costs for water treatment and water quality. These costs do not apply to recycled water customers who take non-potable water service. Table 4-3 develops a cost allocation for recycled water customers that removes costs associated with water quality and water treatment.

Table 4-3: Recycled Water Cost Allocation
Water User Rates and Fee Study
City of Clovis

		FY2014/15	Allocation					
Line #		Actuals (unaudited)	Customer Service	Capacity	Volume	Quality	Recycled Water	Allocation Methodology
Non-Rate Revenues								
1	Land Rental	\$41,000	0%	100%	0%	0%	0%	Capacity revenue
2	Legal Settlements (treatment)	\$291,000	0%	0%	0%	0%	0%	Water Quality revenue
3	Entitlement, Inspection, Misc	\$40,000	0%	100%	0%	0%	0%	Capacity revenue
4	New Service Installations	\$337,000	100%	0%	0%	0%	0%	Customer Service revenue
5	Water Service Penalties	\$670,000	100%	0%	0%	0%	0%	Customer Service revenue
6	Total Non-Rate Revenues	\$1,379,000	\$1,007,000	\$81,000	\$0	\$0	\$0	
Operating Expenses								
7	Salaries, Benefits, Training	\$4,100,000	21.1%	51.5%	14.6%	0%	0%	Based on staffing
8	Vehicles	\$443,000	21.1%	51.5%	14.6%	0%	0%	Based on staffing
9	Well Energy	\$1,861,000	0%	0%	0%	0%	0%	Volume expense
10	FID Surface Water Purchase	\$499,000	0%	100%	0%	0%	0%	Capacity cost
Treatment								
11	Treatment Energy	\$465,000	0%	0%	0%	0%	0%	Volume expense
12	Treatment, Chlorine, GAC	\$661,000	0%	0%	0%	0%	0%	Volume expense
13	Lab Services, DBCP Legal, Monitoring	\$218,000	0%	0%	0%	0%	0%	Water Quality expense
14	General, Admin, Property, Services	\$978,000	100%	0%	0%	0%	0%	Customer Service revenue
15	Impact/Easement	\$518,000	0%	100%	0%	0%	0%	Capacity cost
16	Meters and Boxes	\$622,000	100%	0%	0%	0%	0%	Customer Service revenue
17	Recycled Water	\$24,000	0%	0%	0%	0%	100%	Recycled water
18	Repairs, Maint., Services and Supplies	\$464,000	0%	100%	0%	0%	0%	Capacity cost
19	Marketing	\$23,000	0%	0%	100%	0%	0%	Volume expense
20	Other/Misc.	\$82,000	25%	75%	0%	0%	0%	Staff judgement
21	Operating Expenses	\$10,958,000	\$2,577,616	\$3,883,661	\$687,420	\$0	\$24,000	
Transfers - Ongoing Capital								
22	Surface Water Treatment Debt	\$750,000	0%	0%	0%	0%	0%	Capacity cost
23	Membrane Replacement	\$290,000	0%	0%	0%	0%	0%	Volume expense
24	Well Replacements	\$470,000	0%	0%	0%	0%	0%	Volume expense
25	Main Replacements	\$200,000	0%	100%	0%	0%	0%	Capacity cost
26	Drought Contingency	\$1,000,000	0%	0%	0%	0%	0%	Volume expense
27	Total	\$2,710,000	\$0	\$200,000	\$0	\$0	\$0	
Net Expenses								
28	(Expenses Less Non-Rate Revenue)	\$12,289,000	\$1,570,616	\$4,002,661	\$687,420	\$0	\$24,000	
29	Cost Allocation	100.00%	12.8%	32.6%	5.6%	0.0%	0.2%	
Proposed Revenue Requirement		\$13,655,000	\$1,745,200	\$4,447,582	\$763,831	\$0	\$26,668	
Recycled Water Discount				(\$833,367) -16%	(\$5,274,659) -87%	(\$563,692) -100%	Compared with Table 4-1	

4.1 Non-capacity Costs

The City's non-capacity related costs include customer service, volume, water quality, and recycled water. A brief description of each cost category is provided below:

Customer service: Customer costs include a portion of general, overhead, and administrative costs as well as customer accounting costs such as billing. Customer service revenues fees such as returned check fees, late payment fees, and service installation fees. The customer service revenue requirement is allocated based on number of dwelling units for the residential customer class and number of meters for the commercial customer class including 805 construction water accounts. The number of construction water accounts is based on FY2015 records.

Volume: Water volume costs relate directly to the amount of water produced and supplied to customers including well energy, surface water treatment, replacement of membranes and wells, drought contingency and marketing costs, and a portion of salaries and vehicles. The volume revenue requirement is allocated equally to all water use.

Water quality: Water quality costs are fixed costs related to monitoring, permitting, and laboratory costs to maintain drinking water quality. Water quality costs are allocated based on number of dwelling units for the residential customer class and number of meters for the commercial customer class including 805 construction water accounts.

Recycled water: Recycled water costs are expenses identified by City staff related to the provision of recycled water including pumping costs. Recycled water is allocated to all recycled water use.

4.2 Capacity Costs

The City allocates approximately 39% of its revenue requirement to the capacity cost category consisting of base and peaking costs. The base capacity cost includes costs associated with providing service under average or steady load conditions absent any peaking. Recycled water use offsets potable water use and is not charged peaking costs. The AWWA M1 Manual defines extra capacity as peak or variable capacity above the average base capacity. The M1 Manual advises that the extra capacity functional category can be further subdivided into maximum day and maximum hour functional categories.

As a first step in the capacity allocation process, BWA reviewed the water system's peaking factors and water consumption data for the residential and commercial customer classes.

4.2.1 Residential Base and Peaking

The residential base water use includes the water use of single family, multifamily, and Tarpey service area customers. The current water rate structure assumes average bimonthly water use of 70,000 gallons per Tarpey parcel. However, FY2015 water use indicates that the current average bimonthly use is 63,000 gallons per parcel. Because individual parcels in the Tarpey service area are unmetered, this rate study apportions cost based on an assumed average use of 63,000 gallons bimonthly across the 428 unmetered parcels in the Tarpey service area. Water use above the average bimonthly threshold of 63,000 gallons would be charged an excess use charge. The estimated FY2017 Tarpey non-drought excess use is greater than the FY2015 excess use because the threshold was decreased from 70,000 to 63,000 gallons bimonthly.

BWA determined the base capacity of metered residential customers by reviewing the City's billing records. The average residential metered water use was 23,000 gallons bimonthly per dwelling unit. This average includes both single family residential and multiple family residential customers. The average single family metered use is 27,000 gallons bimonthly and the average meter use per multiple family dwelling unit is 13,000 gallons bimonthly. Multiple family customers typically have less outdoor irrigation water demand and fewer people per dwelling unit than single family residential customers. 23,000 gallons is the average bimonthly residential demand and is therefore used as the first water usage tier threshold. About 67% of residential water use occurs in the first tier.

Residential peak day and peak hour demands were determined based on 2013 system-wide peaking factors calculated by the City. Ideally, peaking data would be available for each customer class. However, given that the residential customer class makes up the vast majority of the City's customer base (both number of accounts and water use), BWA assumes the system-wide peaking factors are indicative of residential water consumption patterns. To calculate the residential peak day demand, the annual residential water use is multiplied by the peak day factor of 1.71. The peak day estimated use is divided by the number of dwelling units to determine the peak day (tier 2) breakpoint of 40,000 gallons bimonthly. Peak hour demand defines tier 3 and encompasses residential water use above the peak day demand.

Table 4-4: Residential Base and Peak Capacity
Water User Rates and Fee Study
City of Clovis

Demand	gpm [1]	Peaking Factor	Customer Class	Residential Water Use (kgal)		
Average day	16,814	1.00	Residential Metered	5,391,272		
Peak day	28,696	1.71	Tarpey (63kgal/DU)	161,784		
Peak hour	44,500	2.65	Tarpey Excess Use	29,029		
			Total	5,582,085		
Base Capacity			Metered Use	Tarpey	Total	% of Total Annual Use
Total Annual Use	5,391,272	kgal	0-23 kgal	0-23 kgal		
Dwelling units	231,253	Billed bimonthly	3,697,077	59,064	3,756,141	67.29%
Use per DU	23	avg bimonthly use				
Peak Day Demand			Metered Use	Tarpey	Total	% of Total Annual Use
Peaking Factor	1.7		23-40 kgal	23-40 kgal		
Peak Day Use	9,201,138	kgal	973,138	43,656	1,016,794	18.22%
Dwelling Units	231,253	Billed bimonthly				
Use per DU	40	peak day bimonthly use				
Peak Hour Demand			Metered Use	Tarpey	Total	% of Total Annual Use
Peaking Factor			40+ kgal	40+ kgal		
Peak Hour Use			721,057	88,093	809,150	14.50%

DU – dwelling unit

[1] gpm - gallons per minute; peaking factors developed by the City based on 2013 data

4.2.2 Commercial Base and Peak

The commercial base demand and peaking is developed in Table 4-5. As a first step, the average bimonthly use per active meter was determined. The average use of the smallest meter size (50,000 gallons bimonthly) is considered one meter equivalent. The average use of the larger meter sizes is scaled to 50,000 gallons bimonthly to determine the schedule of meter equivalents. The number of meter equivalents is used to calculate the base capacity charge. Table 4-5 also provides the commercial class peak use. Use above the average bimonthly demand is considered peak use. For example a 2" commercial customer using 145,000 gallons in one billing period would have 142,000 gallons base use plus 3,000 gallons peak use. Recycled water customers are not included in the table below because they are a relatively new customer class with only limited water usage history.

Table 4-5: Commercial Base and Peak Capacity
Water User Rates and Fee Study
City of Clovis

Potable Commercial Customers	Bimonthly Customer Count [1]	Annual Water Use (kgal)	Average Billing Period Demand per customer (Column A)	Average Day Capacity Factor Adjusted Average Day Capacity Factor	Peak Use [2]
1" (or smaller)	3,219	161,284	50	1.00	93,624
1 1/2"	1,235	106,500	86	1.72	49,777
2"	3,984	564,088	142	2.83	291,343
3"	326	110,325	338	6.75	51,299
4"	394	370,837	941	18.79	7,797
6"	24	94,352	3,931	78.46	51,814
8" [3]	0	0	7,015	140.00	
10" [3]	12	46,167	11,023	220.00	
	9,194	1,453,553			545,654

[1] Includes commercial and landscape customers. Does not include recycled water, prorated customers or customers with 0 use. Prorated customers accounted for 40,000 gallons of water use.

[2] Water use above the average use per billing period (Column A)

[3] Typical capacity factor used. The City has limited billing records for the two 10" customers (represented by 6 bimonthly billing periods each) and no peak water use is assumed. AWWA meter capacity equivalents were used as the average day capacity factors for the 8" and 10" meter sizes. An 8" meter is assumed to have 140 times the capacity of a 1" meter and a 10" meter is assumed to have 220 times the capacity of a 1" meter.

4.2.3 Allocation of Capacity Costs

The residential and commercial base demand and peak water use are summarized in Table 4-6. The residential customer class makes up about 80% of the base water demand and lower proportional peak demand of 77% of the total. Table 4-6 also allocates the capacity revenue requirement between base and peak demands and to each customer class based on their usage patterns. Recycled water customers are assumed to offset peak potable water demand and thus are not allocated any peaking costs.

Table 4-6: Allocation of Capacity Costs
Water User Rates and Fee Study
City of Clovis

Customer Class	Average Day Demand Allocation		Peak Day Demand Allocation [1]		Total Water Use (avg day + peak)
Residential	3,756,141	79.6%	1,825,944	77.0%	5,582,085
Commercial	907,939	19.2%	545,654	23.0%	1,453,593
Recycled Water	<u>56,855</u>	<u>1.2%</u>	<u>0</u>	<u>0.0%</u>	<u>56,855</u>
Total	4,720,935	100.0%	2,371,598	100.0%	7,092,533
System-wide Allocation	66.6%		33.4%		100.0%

Capacity	Allocation	Revenue Requirement [2]	Residential	Potable Commercial	Recycled Water [3]
			79.6%	19.2%	1.2%
Average Day Demand	66.6%	\$3,515,108	\$2,796,743	\$676,032	\$42,333
Peaking Demand	<u>33.4%</u>	<u>\$1,765,841</u>	<u>\$1,359,559</u>	<u>\$406,282</u>	
Total	100.0%	\$5,280,950	\$4,156,303	\$1,082,315	\$42,333

[1] Residential peak day demand is developed in Table 4-4; commercial peak demand is developed in Table 4-5

[2] Total capacity revenue requirement of \$5.28 million is developed in Table 4-1

[3] Recycled water is not charged peaking costs

SECTION 5: RATE DESIGN

This section calculates the proposed water rates to recover the functional costs described in the previous section. Customer service, water quality, and base capacity costs are proposed to be recovered from fixed charges. Volume, recycled water, and peaking costs are proposed to be recovered from metered water volume rates.

This rate study develops both drought and non-drought proposed rates. The fixed charges are proposed to remain the same under both scenarios. Under drought conditions, the City must collect water use related costs from a smaller base of water use; thus the metered rates are higher than under non-drought rate scenario. Implementation of drought and non-drought rates is presented in Section 8: Conclusions and Recommendations.

5.1 Customer Service, Quality, and Recycled Water Rates

Table 5-1 presents the calculations of the proposed rates associated with the customer service, water quality, and recycled water functional costs. The customer service and water quality revenue requirements are divided by the total number of dwelling units plus the total number of commercial water meters billed bimonthly.² The customer service and water quality rate calculations shown below include recycled water meter counts. Recycled water customers receive non-potable water and do not benefit from the City's water quality-related functions. Adjustments to the recycled water rates are provided in a subsequent section. Tarpey extra large lots are not included in the customer service charge or water quality charge calculations. It is assumed that customer service and water quality costs would not increase based on the size of the parcel. For customer service and water quality charges, one Tarpey parcel (large or small) represents one customer.

² Each stable customer is represented as six. For example, a stable single family residential customer would be counted as six bimonthly dwelling units - for each of the six annual bimonthly billing periods. Some of the customer counts shown in this report are odd numbers, which reflect mid-year connections and disconnections.

Table 5-1: Customer Service, Quality, and Recycled Water Volume Rate Calculations
Water User Rates and Fee Study
City of Clovis

Cost Category	Annual Revenue Requirement [1]	Billing Units	Rate	
Customer Service	\$1,745,200	249,144	\$7.00	\$/account (commercial) or \$/dwelling unit (residential) per billing period
Quality	\$563,692	249,144	\$2.26	\$/account (commercial) or \$/dwelling unit (residential) per billing period
Recycled Water	\$26,668	56,855	\$0.47	\$/kgal recycled water use

[1] From Table 4-1

5.2 Average Day Demand Charges

Table 5-2 calculates the average day capacity charge for residential and commercial customers. The average day revenue requirement allocated to the residential customer class is divided by the number of bimonthly dwelling units. Tarpey extra large lots are included in the average day capacity calculation because it is assumed that larger lots place greater demands on the water system.

The commercial average day capacity charges are calculated using the average day capacity factors developed in the previous section. The factors represent the average day or base water use of larger meters relative to the base water use of the 1" or smaller commercial water meter. The capacity factor of each water meter multiplied by the meter count provides the number of meter equivalents. The commercial average day/base capacity revenue requirement divided by the number of meter equivalents calculates the 1" meter base capacity charge of \$7.83 bimonthly, see Table 5-2. The base capacity charge of larger meter sizes is scaled based on the average day capacity factor. For example, the 8" base capacity charge is \$1,096.69 (\$7.83 multiplied by the 140.00 capacity factor).

Although average day demand will change under drought conditions, BWA proposes that the City maintain the same average day capacity charges under both drought and non-drought conditions. The average day demand charges reflect the City's fixed costs of maintaining capacity in the system under normal water conditions. These costs are not eliminated or reduced during water cutbacks. Normal water-year average day demand factors are a fair method of apportioning base capacity costs.

**Table 5-2: Average Day Capacity Charge
Water User Rates and Fee Study
City of Clovis**

Customer Class	Average Day Revenue Requirement [1]	Billing Units	Rate	
Residential [2]	\$2,796,743	233,898	\$11.96	\$/dwelling unit per billing period
Commercial	<u>\$718,365</u>	91,704	\$7.83	\$/equivalent per billing period
Total	\$3,515,108			

Meter Size	Customer Count [3]	Average Day Capacity Factor [4]	Equivalents
1" (or smaller)	3,491	1.00	3,491
1 1/2"	1,920	1.72	3,305
2"	5,354	2.83	15,130
3"	531	6.75	3,583
4"	3,176	18.79	59,652
6"	24	78.46	1,883
8"	5	140.00	700
10"	18	220.00	<u>3,960</u>
Total	14,518		91,704

Commercial Average Day Capacity Revenue Requirement	\$718,365
\$/commercial equivalent per billing period	\$7.83

[1] From Table 4-6, commercial water use includes potable and recycled water use

[2] Includes single family residential, multifamily residential, Tarpey unmetered, and Tarpey large lot. Each Tarpey large lot is assumed to be 0.43 dwelling units based on the ratio of the large/extra lot 7,500 sq ft to the base lot size of 17,500 sq ft.

[3] Includes prorated and recycled water customers

[4] From Table 4-5

5.3 Total Fixed Charges

As described above, the City proposes to recover customer service, water quality, and average day capacity costs as fixed water service charges. The total proposed residential bimonthly fixed charge is summed in Table 5-3. It should be noted that the proposed fixed charge does not include the current water allowance of 10,000 gallons bimonthly. The "free" water allowance is proposed to be eliminated. The proposed bimonthly residential fixed charge is \$21.22, which is an increase from the current charge of \$16.80. Table 5-4 presents the total commercial fixed charge.

**Table 5-3: Residential Fixed Charge
Water User Rates and Fee Study
City of Clovis**

Residential Fixed Charges	Charge per Dwelling Unit	Reference
Customer Service	\$7.00	Table 5-1
Quality	\$2.26	Table 5-1
Average Day Capacity	\$11.96	Table 5-2
Total Fixed Charge per Dwelling Unit	\$21.22	
Tarpey Large Lot		
Large Lot	7,500	Square feet
Standard Lot	17,500	Square feet
Ratio	0.429	
Tarpey Large Lot Average Day Capacity Charge	\$5.12	

**Table 5-4: Commercial Fixed Charges
Water User Rates and Fee Study
City of Clovis**

Meter Size	Customer Service	Quality	Average Day Capacity		Total Fixed Charge [1]
			Equivalent	Average Day Charge	
5/8" or 3/4"	\$7.00	\$2.26	1.00	\$7.83	\$17.10
1"	\$7.00	\$2.26	1.00	\$7.83	\$17.10
1 1/2"	\$7.00	\$2.26	1.72	\$13.48	\$22.74
2"	\$7.00	\$2.26	2.83	\$22.14	\$31.40
3"	\$7.00	\$2.26	6.75	\$52.91	\$62.18
4"	\$7.00	\$2.26	18.79	\$147.15	\$156.42
6"	\$7.00	\$2.26	78.46	\$614.65	\$623.90
8"	\$7.00	\$2.26	140.00	\$1,096.69	\$1,105.96
10"	\$7.00	\$2.26	220.00	\$1,723.37	\$1,732.64

[1] The total fixed charge is rounded to the nearest \$0.02 to comply with the City's billing software.

5.4 Non-drought Volume Rates

The volume, peaking, and recycled water functional costs are proposed to be recovered from metered rates. For residential and commercial customers, the volume functional cost category is proposed to be collected from all water use and billed as the tier 1 metered rate. The volume functional cost rate is calculated in Table 5-5.

Table 5-5: Non-drought Functional Cost Category Volume Rate Calculation
Water User Rates and Fee Study
City of Clovis

Volume Functional Cost Revenue Requirement	\$6,038,490	Table 4-1
Water Use	7,092,533	Table 4-6
Volume Functional Cost Rate (\$/kgal)	\$0.85	

5.4.1 Non-drought Recycled Water Volume Rate Adjustment

As discussed throughout this report, recycled water customers take non-potable water service from the City and should not pay costs related to water quality or water treatment. Therefore, these costs must be removed from the recycled water rate calculations. As described above and shown in Table 4-1 and Table 4-3, the commercial fixed charges recover functional costs that include water quality costs and treatment costs. Although these are fixed costs, the City proposes to reduce the recycled water volume rates to provide a water quality and treatment discount. The City prefers all commercial customers, businesses, landscape meters, standby fire meters, and recycled water customers, to have one schedule of fixed meter charges.

Table 5-6 calculates the recycled water customer class revenue responsibility net of discounts for water quality and treatment. As a first step, the annual recycled revenue is calculated based on the standard commercial rates, which totals about \$90,000. As a second step, discounts are applied for water quality and treatment based on the recycled water cost allocation from Table 4-3. The ending recycled water cost responsibility is reduced by about half to approximately \$45,000. The value of the recycled water discounts are proposed to reduce the recycled water rate and be recovered from an increase to the volume rate of all other customer classes, see Table 5-7.

Table 5-6: Non-drought Recycled Water Revenue Responsibility
Water User Rates and Fee Study
City of Clovis

Recycled Water	Billing Units	Cust. Serv. Rate	Cust. Serv. Revenue	Quality Rate	Quality Revenue	Avg Day Demand Rate	Avg Day Demand Revenue
2"	49	\$7.00	\$343	\$2.26	\$111	\$22.14	\$1,085
3"	26	\$7.00	\$179	\$2.26	\$58	\$52.91	\$1,349
4"	31	\$7.00	\$214	\$2.26	\$69	\$147.15	\$4,488
6"	3	\$7.00	\$18	\$2.26	\$6	\$614.65	\$1,537
8"	5	\$7.00	\$35	\$2.26	\$11	\$1,096.69	\$5,483
10"	0	\$7.00	\$0	\$2.26	\$0	\$1,723.37	\$0
Total			\$788		\$255		\$13,942
		Water Use	Rate	Volume Rev			
Volume		56,855	\$0.85	\$48,406			

	Beginning Revenue	Recycled Water Discount	Ending Revenue
Customer Service	\$788	0%	\$0
Quality Revenue	\$255	-100%	(\$255)
Avg Day Demand Revenue	\$13,942	-16%	(\$2,200)
Volume Revenue	\$48,406	-87%	(\$42,283)
Recycled Water Revenue	<u>\$26,668</u>	0%	<u>\$0</u>
Total	\$90,058		\$45,321

**Table 5-7: Non-drought Recycled Water Rate Adjustments
Water User Rates and Fee Study
City of Clovis**

Customer Class	Water Use (kgal)	Allocated Revenue
M&I Service	7,035,678	\$5,990,085
Recycled Water	<u>56,855</u>	<u>\$48,406</u>
Total	7,092,533	\$6,038,490
Recycled Water Service		
Volume Allocated Revenue		\$48,406
Recycled Water Adjustment		<u>(\$44,737)</u>
Total		\$3,668
Water Use (kgal)		56,855
Rate (\$/kgal)		\$0.06
M&I Service		
Volume Allocated Revenue		\$5,990,085
Recycled Water Adjustment		<u>\$44,737</u>
Total		\$6,034,822
Water Use (kgal)		7,035,678
Rate (\$/kgal)		\$0.86

M&I service – municipal and industrial potable water service

5.4.2 Non-drought Peaking Adders

Residential peaking costs are proposed to be recovered from the peaking adder applied to the volume rate. Peak day costs are proposed to be collected from tier 2 rate and peak hour costs are proposed to be collected from tier 3 rate. The tier breakpoints are based on water usage patterns as described in Section 4.2.1. To calculate the peaking adder, the peak day and peak hour water use is multiplied by the peaking factors to determine equivalent use. The water system is designed and engineered to meet peak hour demand plus emergency fire flow. Peak demand is more costly for the City to serve due to increased pumping and treatment costs. Furthermore, peak hour demand is more costly to serve than peak day demand due to the need to design, operate, and maintain an upsized transmission and distribution system. Equivalent use represents the relative cost impacts that peak day and peak hour demands have on the water system. Peak day water use is determined to be \$0.60/kgal more costly to serve than non-peak water use. Peak hour water use is determined to be \$0.93/kgal more costly to serve than non-peak water use.

Table 10: Non-drought Residential Peaking Adder

**Water User Rates and Fee Study
City of Clovis**

Residential Peaking	Water Use (kgal) [1]	Peaking Factor [1]	Equivalent Use
Peak Day Demand	1,016,794	1.71	1,735,335
Peak Hour Demand	809,150	2.65	<u>2,141,499</u>
			3,876,834
Residential Peaking Revenue Requirement		\$1,359,559	Table 4-6
Residential Equivalent Use		3,876,834	
Rate		\$0.351	
			peaking adder \$/kgal
Peak Day	1.71	x 0.351	\$0.60
Peak Hour	2.65	x 0.351	\$0.93

[1] From Table 4-4

For the commercial customer class, the City proposes to maintain a two tiered rate structure and for commercial and residential customers to have the same tier 1 breakpoint of 23,000 gallons bimonthly. About 11% of commercial water (not including recycled water) occurs in tier 1 and about 89% of commercial water use occurs in tier 2. The commercial peak revenue requirement is divided by the tier 2 water use to calculate the tier 2 commercial peaking adder.

**Table 5-8: Non-drought Commercial Peaking Adder
Water User Rates and Fee Study
City of Clovis**

Level of Use	Annual Use in Tier	Peaking Revenue Requirement	Peaking Adder \$/kgal
Tier 1 (0-23)	157,049	\$0	
Tier 2 (23+)	<u>1,296,544</u>	\$406,282	\$0.31
	1,453,593	Table 4-6	

5.4.3 Total Non-drought Volume Rates

The total metered water volume rates are presented in Table 5-9. The residential and commercial rates include the volume rate (volume functional cost category) plus peaking adders. The recycled water rate includes the adjusted volume rate plus the recycled water rate (recycled water functional cost category).

**Table 5-9: Non-drought Total Metered Water Volume Rates
Water User Rates and Fee Study
City of Clovis**

Customer Class	Volume Rate	Peaking Adder	Total Rate (\$/kgal) [1]
Residential			
Tier 1 (0-23)	\$0.86	\$0.00	\$0.86
Tier 2 (23-40)	\$0.86	\$0.60	\$1.45
Tier 3 (40+)	\$0.86	\$0.93	\$1.78
Commercial			
Tier 1 (0-23)	\$0.86	\$0.00	\$0.86
Tier 2 (23+)	\$0.86	\$0.31	\$1.17
Recycled Water			
Recycled Water	Volume Rate	Adder [2]	Total Rate (\$/kgal)
All Use	\$0.06	\$0.47	\$0.53

[1] Volume rate plus peaking adder rounded down to nearest \$0.01

[2] From Table 5-1

Although the residential tier 2 and tier 3 rates are higher than the commercial tier 2 rate. Commercial customers are proposed to pay a higher average rate. About 2/3 of residential water use falls in tier 1, the lowest cost tier. In contrast, only about 11% of commercial water use falls in tier 1. Over all, a much higher portion of commercial water use occurs in the higher cost tier 2 resulting in a higher average rate.

Table 5-10: Non-drought Average Rate Comparison
Water User Rates and Fee Study
City of Clovis

Customer Class	Use	Rate	Revenue	Average Rate
Residential [1]				
Tier 1 (0-23)	3,697,077	\$0.86	\$3,179,486	
Tier 2 (23-40)	973,138	\$1.45	\$1,411,050	
Tier 3 (40+)	<u>721,057</u>	\$1.78	<u>\$1,283,481</u>	
	5,391,272		\$5,874,018	\$1.09
Commercial [2]				
Tier 1 (0-23)	157,049	\$0.86	\$135,062	
Tier 2 (23+)	<u>1,296,544</u>	\$1.17	<u>\$1,516,956</u>	
	1,453,593		\$1,652,019	\$1.14

[1] Includes single family and multifamily use. Does not include Tarpey water use

[2] Does not include recycled water use

5.5 Non-drought Tarpey Rates

The proposed Tarpey single family residential service charge includes customer service, water quality, and average day capacity costs plus water use charges for 63,000 gallons of consumption. The non-drought Tarpey single family bimonthly bill is proposed to be \$106.58 (see Table 5-11), which is slightly higher than the current bill of \$100.20.

The City is contractually obligated to offer Tarpey an average rate that is \$0.16/kgal less than the average single family residential metered rate. Under the proposed non-drought rates, the Tarpey customers would pay approximately \$0.19/kgal less on average than single family residential metered customers.

**Table 5-11: Non-drought Tarpey Single Family Residential Bill
Water User Rates and Fee Study
City of Clovis**

Charge Category	Rate or Charge		Count	Total
Customer Service	\$7.00	x	1	\$7.00
Quality	\$2.26	x	1	\$2.26
Average Day Capacity	\$11.96	x	1	\$11.96
Water Use (63 kgal bimonthly use)		x		
Tier 1 (0-23)	\$0.86	x	23	\$19.78
Tier 2 (23-40)	\$1.45	x	17	\$24.65
Tier 3 (40+)	\$1.78	x	23	\$40.94
Rounding				<u>(\$0.01)</u>
Total Bill				\$106.58

**Table 5-12: Non-drought Tarpey Average Rate
Water User Rates and Fee Study
City of Clovis**

	Rate	Units	Revenue	Avg Rate
Single Family ONLY (no multifamily)				
Dwelling Unit Charge	\$21.22	171,842	\$3,646,487	
Water Use				
Tier 1 (0-23)	\$0.86	2,994,759	\$2,575,493	
Tier 2 (23-40)	\$1.45	942,562	\$1,366,715	
Tier 3 (40+)	\$1.78	<u>712,940</u>	<u>\$1,269,033</u>	
Total Metered Residential		4,650,261	\$8,857,728	\$1.90
Tarpey				
Tarpey Unmetered (63kgal)	\$106.58	2,568	\$273,697	
Tarpey Large Lot	\$5.12	180	\$922	
Tarpey Excess Use Charges	\$1.78	29,029	<u>\$51,671</u>	
Total Tarpey			\$326,290	
Tarpey Estimated Water Use			190,813	\$1.71
Single family average rate less Tarpey average rate				\$0.19

5.6 Drought Volume Rates

5.6.1 Water Conservation

The first step in developing drought water rates is to estimate water conservation. The non-drought rate scenario assumes that water use in FY2017 will remain the same as water use in FY2015. FY2015 water use reflected some water conservation compared to prior years but the City did not experience the full impact of drought cutbacks until Summer and Fall of 2015 (fiscal year 2016) when the City briefly implemented water conservation penalties. The City and BWA believe that FY2015 water use may represent a “new normal” in which the residents maintain some water conserving behaviors. Water use may never return to the 2013 demands.

To estimate water use under drought conditions, BWA reviewed the City’s conservation target and recent water use. The City’s current conservation target is a 34% reduction in per capita water use compared to 2013 water use.³ The conservation target is assessed on a month-to-month basis (for example, October 2015 water use is compared to October 2013 water use). May 2015 the City met its conservation target and June 2015 the City nearly met the conservation target (about 30% conservation). Thus, BWA assumes that the actual water usage data from the May/June billing period reflects drought conditions and no further conservation would occur. To estimate July/August and September/October water use, BWA reviewed actual water usage data from 2015. During this period, the City charged conservation penalties and

³ The City’s original conservation target was 36% (7/17/15) and was adjusted to 34% (2/2/16)

water use decreased accordingly. BWA assumes the actual July-October 2015 water consumption data reflects drought usage.

BWA estimated November through April water use based on the conservation factors shown in Table 5-13. Residential tier 1 and tier 2 conservation of 6.8% and 36.8%, respectively, from the September/October 2015 billing period are applied to the November 2014 to April 2015 actual water use. Tier 3 reflects elimination of the top 10% of water use plus 55% reduction in the next 15% of top water use. In regards to the Tarpey water use, it is assumed that the excess use would decrease by 25%. About 13% overall water conservation is assumed for the commercial customer class. In total, the water use shown in Table 5-13 would achieve the City's water conservation goal.

Table 5-13: Projected Metered Water Use Under Drought Conditions
Water User Rates and Fee Study
City of Clovis

Customer Class	Actual Calendar Year 2015		Estimated				Annual Total
	Jul/Aug	Sep/Oct	Nov/Dec	Jan/Feb	Mar/April	May/June [1]	
Residential							
Tier 1 (0-23)	666,014	674,035	611,517	428,843	454,714	625,115	3,460,238
Tier 2 (23-40)	174,605	183,447	105,078	23,344	26,160	123,859	636,492
Tier 3 (40+)	<u>97,179</u>	<u>113,885</u>	<u>38,151</u>	<u>5,021</u>	<u>4,701</u>	<u>47,249</u>	<u>306,187</u>
Total Residential	937,798	971,367	754,745	457,209	485,575	796,223	4,402,917
Commercial							
Tier 1 (0-23)	26,821	27,214	26,890	22,805	25,085	26,920	155,735
Tier 2 (23+)	<u>255,696</u>	<u>284,586</u>	<u>175,796</u>	<u>76,786</u>	<u>102,620</u>	<u>208,543</u>	<u>1,104,026</u>
Total Commercial	282,517	311,800	202,686	99,590	127,705	235,463	1,259,761
Change in Water Use from FY2015							
Customer Class	Jul/Aug	Sep/Oct	Nov/Dec	Jan/Feb	Mar/April	May/June [1]	Annual Total
Residential							
Tier 1 (0-23)	-10.5%	-6.8%	-6.8%	-6.8%	-6.8%	0.0%	-6.4%
Tier 2 (23-40)	-44.4%	-36.8%	-36.8%	-36.8%	-36.8%	0.0%	-34.6%
Tier 3 (40+)	<u>-66.4%</u>	<u>-57.5%</u>	<u>-56.8%</u>	<u>-68.9%</u>	<u>-66.0%</u>	<u>0.0%</u>	<u>-35.3%</u>
Total Residential	-30.4%	-24.2%	-17.2%	-10.9%	-10.6%	0.0%	-18.4%
Commercial							
Tier 1 (0-23)	-4%	0%	0%	0%	0%	0%	-1%
Tier 2 (23+)	<u>-22%</u>	<u>-18%</u>	<u>-15%</u>	<u>-14%</u>	<u>-14%</u>	<u>0%</u>	<u>-15%</u>
Total Commercial	-20%	-16%	-14%	-11%	-12%	0%	-13%

[1] May/June 2015, the City nearly met its conservation target; no additional conservation is assumed for this billing period going forward

The metered residential water use shown in Table 5-13 is combined with the Tarpey water use in Table 5-14. Under drought conditions, much less proportional water use is consumed in tier 3.

Table 5-14: Drought Residential Water Use
Water User Rates and Fee Study
City of Clovis

Demand	gpm [1]	Peaking Factor	Customer Class	Total FY2017 Estimated Residential Water Use (kgal)		
Average day	16,814	1.00	Residential Metered			4,402,917
Peak day	28,696	1.71	Tarpey (63kgal/DU)			161,784
Peak hour	44,500	2.65	Tarpey Excess Use			21,772
			Total			4,586,473
Base Capacity			Metered Use	Tarpey	Total	% of Total Annual Use
				0-23		
Total Annual Use	5,391,272	kgal	0-23 kgal	kgal		
Dwelling units	231,253	Billed bimonthly	3,460,238	59,064	3,519,302	77%
Use per DU	23	avg bimonthly use				
Peak Day Demand			Metered Use	Tarpey	Total	% of Total Annual Use
				23-40		
Peaking Factor	1.7		23-40 kgal	kgal		
Peak Day Use	9,201,138	kgal	636,492	43,656	680,148	15%
Dwelling Units	231,253	Billed bimonthly				
Use per DU	40	peak day bimonthly use				
Peak Hour Demand			Metered Use	Tarpey	Total	% of Total Annual Use
Peaking Factor			40+ kgal	40+ kgal		
Peak Hour Use			306,187	80,836	387,022	8%
DU – dwelling unit						
[1] gpm – gallons per minute; peaking factors developed by the City based on 2013 data						

5.6.2 Drought Rate Calculations

The drought rate calculations follow the same methodology as the non-drought rate calculations but collect the allocated revenues over a smaller base of water use. The drought calculation for the volume functional cost category is shown in Table 5-15. The recycled water revenue adjustments under the drought scenario are provided in Table 5-16 and the final volume rate calculation is provided in Table 5-17.

**Table 5-15: Drought Functional Cost Category
Volume Rate Calculation
Water User Rates and Fee Study
City of Clovis**

Customer Class	Use (kgal)
Residential Metered	4,402,917
Tarpey (63kgal)	161,784
Tarpey Excess Use	21,772
Commercial	1,259,761
Recycled Water	<u>56,855</u>
Total	5,903,089
Volume Revenue Requirement	\$6,038,490
	Table 4-1
Unadjusted Base Rate	\$1.02

Table 5-16: Drought Recycled Water Revenue Responsibility
Water User Rates and Fee Study
City of Clovis

Recycled Water	Billing Units	Cust. Serv. Rate	Cust. Serv. Revenue	Quality Rate	Quality Revenue	Avg Day Demand Rate	Avg Day Demand Revenue
2"	49	\$7.00	\$343	\$2.26	\$111	\$22.14	\$1,085
3"	26	\$7.00	\$179	\$2.26	\$58	\$52.91	\$1,349
4"	31	\$7.00	\$214	\$2.26	\$69	\$147.15	\$4,488
6"	3	\$7.00	\$18	\$2.26	\$6	\$614.65	\$1,537
8"	5	\$7.00	\$35	\$2.26	\$11	\$1,096.69	\$5,483
10"	0	\$7.00	\$0	\$2.26	\$0	\$1,723.37	\$0
Total			\$788		\$255		\$13,942
		Water Use	Rate	Volume Rev			
Volume		56,855	\$1.02	\$58,159			

	Beginning Revenue	Recycled Water Discount	Ending Revenue
Customer Service	\$788	0%	\$788
Quality Revenue	\$255	-100%	\$0
Avg Day Demand Revenue	\$13,942	-16%	\$11,742
Volume Revenue	\$58,159	-87%	\$7,357
Recycled Water Revenue	<u>\$26,668</u>	0%	<u>\$26,668</u>
Total	\$99,812	\$46,006 (\$53,257)	\$46,555

**Table 5-17: Drought Recycled Water Rate Adjustments
Water User Rates and Fee Study
City of Clovis**

Customer Class	Water Use (kgal)	Allocated Revenue
M&I Service	5,846,234	\$5,980,331
Recycled Water	<u>56,855</u>	<u>\$58,159</u>
Total	5,903,089	\$6,038,490
Recycled Water Service		
Volume Allocated Revenue		\$58,159
Recycled Water Adjustment		<u>(\$53,257)</u>
Total		\$4,902
Water Use (kgal)		56,855
Rate (\$/kgal)		\$0.09
M&I Service		
Volume Allocated Revenue		\$5,980,331
Recycled Water Adjustment		<u>\$53,257</u>
Total		\$6,033,588
Water Use (kgal)		5,846,234
Rate (\$/kgal)		\$1.03

M&I service – municipal and industrial potable water service

Table 5-18 and Table 5-19 calculate the drought scenario peaking adders for residential and commercial customers. Under the drought scenario, peaking costs are collected over a smaller amount of peak water use resulting in higher rates than the non-drought scenario. This provides a strong conservation price signal to high water use customers.

**Table 5-18: Drought Residential Peaking Adder
Water User Rates and Fee Study
City of Clovis**

Residential Peaking	Water Use (kgal) [1]	Peaking Factor [1]	Equivalent Use
Peak Day Demand	680,148	1.71	1,160,791
Peak Hour Demand	387,022	2.65	<u>1,024,294</u>
			2,185,085
Residential Peaking Revenue Requirement		\$1,359,559	Table 4-6
Residential Equivalent Use		2,185,085	
Rate		\$0.622	
			peaking adder
			\$/kgal
Peak Day	1.71	x \$0.622	\$1.06
Peak Hour	2.65	x \$0.622	\$1.65

[1] From Table 5-14

**Table 5-19: Drought Commercial Peaking Adder
Water User Rates and Fee Study**

City of Clovis

Level of Use	Annual Use in Tier	Peaking Revenue Requirement	Peaking Adder \$/kgal
Tier 1 (0-23)	155,735	\$0	
Tier 2 (23+)	1,104,026	\$406,282	\$0.37
	1,259,761	Table 4-6	

The total metered volume rates are provided in Table 5-20.

**Table 5-20: Drought Total Metered Water Volume Rates
Water User Rates and Fee Study
City of Clovis**

Customer Class	Volume Rate	Peaking Adder	Rounded Total Rate (\$/kgal) [1]
Residential			
Tier 1 (0-23)	\$1.03	\$0.00	\$1.03
Tier 2 (23-40)	\$1.03	\$1.06	\$2.09
Tier 3 (40+)	\$1.03	\$1.65	\$2.68
Commercial			
Tier 1 (0-23)	\$1.03	\$0.00	\$1.03
Tier 2 (23+)	\$1.03	\$0.37	\$1.40
		Recycled Water Adder [2]	
Recycled Water	Volume Rate		Total Rate (\$/kgal)
All Use	\$0.09	\$0.47	\$0.56

[1] Volume rate plus peaking adder rounded down to nearest \$0.01

[2] From Table 5-1

5.7 Drought Tarpey Rates

The proposed Tarpey single family residential bill under the allocated drought rates is \$142.08, see Table 5-21. Table 5-22 calculates the average Tarpey drought water rate and the average single family residential metered water rate. Under the drought rates, an adjustment is needed to reduce the Tarpey average rate to meet the City's contractual agreement with Tarpey to provide Tarpey with a \$0.16/kgal discount. The Tarpey revenue requirement must be reduced by about \$28,000 to comply with the contractual agreement. This revenue is proposed to be re-allocated to the volume rates of all other customers, see Table 5-23.

**Table 5-21: Drought Tarpey Single Family Residential Bill
Water User Rates and Fee Study
City of Clovis**

Charge Category	Rate or Charge	Count	Total
------------------------	-----------------------	--------------	--------------

Customer Service	\$7.00	x	1	\$7.00
Quality	\$2.26	x	1	\$2.26
Average Day Capacity	\$11.96	x	1	\$11.96
Water Use (63 kgal bimonthly use)		x		
Tier 1 (0-23)	\$1.03	x	23	\$23.69
Tier 2 (23-40)	\$2.09	x	17	\$35.53
Tier 3 (40+)	\$2.68	x	23	<u>\$61.64</u>
Total Bill				\$142.08

**Table 5-22: Drought Tarpey Average Rate Adjustment
Water User Rates and Fee Study
City of Clovis**

	Rate	Units	Revenue	Avg Rate
Single Family ONLY (no multifamily)				
Dwelling Unit Charge	\$21.22	171,842	\$3,646,487	
Water Use				
Tier 1 (0-23)	\$1.03	2,804,129	\$2,888,253	
Tier 2 (23-40)	\$2.09	619,034	\$1,293,780	
Tier 3 (40+)	\$2.68	<u>292,785</u>	<u>\$784,664</u>	
Total Metered Residential		3,715,948	\$8,613,184	\$2.32
Tarpey				
Tarpey Unmetered (63kgal)	\$142.08	2,568	\$364,861	
Tarpey Large Lot	\$5.12	180	\$922	
Tarpey Excess Use Charges	\$2.68	21,772	<u>\$58,348</u>	
Total Tarpey			\$424,131	
Tarpey Estimated Water Use			183,556	\$2.31
Subtotal Tarpey			\$424,131	
Tarpey Discount per contractual agreement			(\$28,037)	
Total Tarpey Revenue Requirement			\$396,094	\$2.16
				Discount from Single Family Residential \$0.160

5.8 Full Drought Rate Schedule

The full drought rate schedule with Tarpey adjustments is provided in Table 5-23. With the proposed adjustment, the Tarpey residential bill is proposed to be \$132.70 bimonthly.

Table 5-23: Proposed Rates with Tarpey Adjustment
Water User Rates and Fee Study
City of Clovis

	Estimated FY2017 drought conditions			Tarpey Adjust.		
	Rate	Units	Revenue		Rate	Revenue
Residential						
Dwelling Unit Charge	\$21.22	231,253	\$4,907,189		\$21.22	\$4,907,189
Water Use						
Tier 1 (0-23)	\$1.03	3,460,238	\$3,564,045	0.55%	\$1.04	\$3,598,648
Tier 2 (23-40)	\$2.09	636,492	\$1,330,269	0.55%	\$2.10	\$1,336,634
Tier 3 (40+)(1)	\$2.68	<u>306,187</u>	<u>\$820,580</u>	0.55%	\$2.66	<u>\$814,457</u>
Total Metered Residential		4,402,917	\$5,714,895			\$5,749,738
Tarpey Unmetered (63kgal)	\$142.08	2,568	\$364,861	-6.65%	\$132.70	\$340,774
Tarpey Large Lot	\$5.12	180	\$922		\$5.12	\$922
Tarpey Excess Use Charges	\$2.66	21,772	<u>\$58,348</u>	-6.65%	\$2.49	<u>\$54,211</u>
Total Unmetered Residential			\$424,131			\$395,906
Total Residential			\$11,046,214			\$11,052,833
Potable Commercial						
1" or smaller	\$17.10	3,491	\$59,696		\$17.10	\$59,696
1 1/2"	\$22.74	1,920	\$43,680		\$22.74	\$43,661
2"	\$31.40	5,305	\$166,577		\$31.40	\$166,577
3"	\$62.18	505	\$31,401		\$62.18	\$31,401
4"	\$156.42	3,145	\$491,941		\$156.42	\$491,941
6"	\$623.90	22	\$13,414		\$623.90	\$13,414
8"	\$1,105.96	0	\$0		\$1,105.96	\$0
10"	\$1,732.64	<u>18</u>	<u>\$31,188</u>		\$1,732.64	<u>\$31,188</u>
		14,406	\$837,896			\$837,877
Water Use						
Tier 1 (0-23)	\$1.03	155,735	\$160,407	0.55%	\$1.04	\$161,964
Tier 2 (23+)	\$1.40	<u>1,104,026</u>	<u>\$1,545,637</u>	0.55%	\$1.40	<u>\$1,545,637</u>
		1,259,761	\$1,706,043			\$1,707,601
Total Potable Commercial			\$2,543,940			\$2,545,478
Recycled Water						
2"	\$31.40	49	\$1,539		\$31.40	\$1,539
3"	\$62.18	26	\$1,586		\$62.18	\$1,586
4"	\$156.42	31	\$4,771		\$156.42	\$4,771
6"	\$623.91	3	\$1,560		\$623.90	\$1,560
8"	\$1,105.96	5	\$5,530		\$1,105.96	\$5,530
10"	\$1,732.64	<u>0</u>	<u>\$0</u>		\$1,732.64	<u>\$0</u>
		113	\$14,985			\$14,985
Water Use	\$0.56	56,855	\$31,839	0.55%	\$0.56	\$31,839
Total Recycled Water			\$46,823			\$46,823
						Estimate
Construction Water	\$142.08		unknown		\$132.70	\$9,866
Total			\$13,636,977			\$13,655,000

NOTE: volume rates are rounded to the nearest \$0.01 and the fixed charges to the nearest \$0.02 (for bimonthly billing). The tier 3 rate is shifted down by \$.02 such that total revenue does not exceed the cost of service. The Tarpey revenue requirement is \$396,094. However, the proposed drought rates result in Tarpey revenue of \$395,906 due to rounding. The recycled water revenue requirement is also adjusted due to rounding.

Table 5-24 provides the average rate calculation for residential and commercial customers under drought conditions with the Tarpey adjustments.

**Table 5-24: Drought Average Rate Comparison
Water User Rates and Fee Study
City of Clovis**

Customer Class	Use	Rate	Revenue	Average Rate
Residential [1]				
Tier 1 (0-23)	3,460,238	\$1.04	\$3,598,648	
Tier 2 (23-40)	636,492	\$2.10	\$1,336,634	
Tier 3 (40+)	<u>306,187</u>	\$2.66	<u>\$814,457</u>	
	4,402,917		\$5,749,738	\$1.31
Commercial [2]				
Tier 1 (0-23)	155,735	\$1.04	\$161,964	
Tier 2 (23+)	<u>1,104,026</u>	\$1.40	<u>\$1,545,637</u>	
	1,259,761		\$1,707,601	\$1.36

[1] Does not include Tarpey water use

[2] Does not include recycled water use

5.9 Proposed Rate Schedules

The full drought and non-drought rate schedules of all customers is provided in Table 5-25, see also Appendix A and B. Table 5-26 provides a summary of the FY2015 rate revenues, FY2017 non-drought revenues, and FY2017 drought scenario revenues. The drought and non-drought rate proposals include higher cost recovery from fixed service charges. This provides the City with greater revenue stability but has the disadvantage of providing customers with a weaker conservation price signal. It should be noted that the City proposes to charge construction water customers the same charge as the Tarpey unmetered rate. Construction water customers are temporary, unmetered customers that primarily take water service for homes under construction. It is unknown how much revenue will be collected from construction water customers in the future.

Both the drought and non-drought proposed rates would recover a greater amount of revenue from residential customers. Currently, residential customers pay about \$10.3 million in service charges and the proposed rates would increase the residential service charges to recover about \$11 million. Currently, commercial customers pay about \$3.1 million in water service charges, which would decrease to about \$2.5 million under the proposed rates.

The shift in cost recovery between the customer classes is due to the cost allocation described in this report. Base capacity costs were found to be higher than the costs current reflected in the City's existing water rates. Bases capacity costs impact residential customers to a higher degree than commercial customers because residential customers make up the majority of the water system and thus contribute heavily to average day demand.

**Table 5-25: Current and Proposed Water Rates
Water User Rates and Fee Study
City of Clovis**

	Current	Proposed Non-drought	Proposed Drought
Residential			
Dwelling Unit Charge	\$16.80	\$21.22	\$21.22
Water Use			
Current			
Tier 1 (0-10) (\$/kgal)	\$0.00		
Tier 2 (10-35) (\$/kgal)	\$1.71		
Tier 3 (35-70) (\$/kgal)	\$2.14		
Tier 4 (70+) (\$/kgal)	\$2.57		
Proposed			
Tier 1 (0-23) (\$/kgal)		\$0.86	\$1.04
Tier 2 (23-40) (\$/kgal)		\$1.45	\$2.10
Tier 3 (40+) (\$/kgal)		\$1.78	\$2.66
	(70kgal)	(63kgal)	(63kgal)
Tarpey Unmetered (63kgal)	\$100.20	\$106.58	\$132.70
Tarpey Large Lot	\$4.66	\$5.12	\$5.12
Tarpey Excess Use Charges (\$/kgal)	\$1.73	\$1.78	\$2.49
Commercial & Recycled Water			
1" or smaller	\$16.80	\$17.10	\$17.10
1 1/2"	\$28.32	\$22.74	\$22.74
2"	\$42.16	\$31.40	\$31.40
3"	\$79.06	\$62.18	\$62.18
4"	\$120.62	\$156.42	\$156.42
6"	\$466.66	\$623.90	\$623.90
8"	\$812.70	\$1,105.96	\$1,105.96
10"	\$1,274.12	\$1,732.64	\$1,732.64
Commercial Water Use			
Current			
Tier 1 (0-10) (\$/kgal)	\$0.00		
Tier 2 (10+) (\$/kgal)	\$1.47		
Proposed			
Tier 1 (0-23) (\$/kgal)		\$0.86	\$1.04
Tier 2 (23+) (\$/kgal)		\$1.17	\$1.40
Recycled Water			
Current			
Tier 1 (0-10) (\$/kgal)	\$0.00		
Tier 2 (10+) (\$/kgal)	\$0.74		
Proposed All Use (\$/kgal)		\$0.53	\$0.56
Construction Water	\$91.58	\$106.58	\$132.70

**Table 5-26: Rate Scenario Revenue Summary
Water User Rates and Fee Study
City of Clovis**

FY2015 Rate Revenue Summary

Rate Category	Residential	Commercial	Misc. & Other	Total	
Fixed Service Charges	\$4,146,309	\$1,047,447	\$297,554	\$5,491,310	40.0%
Volume Rates	<u>\$6,157,051</u>	<u>\$2,062,986</u>		<u>\$8,220,036</u>	<u>60.0%</u>
Total	\$10,303,360	\$3,110,433	\$297,554	\$13,711,346	100.0%
	75.1%	22.7%	2.2%	100.0%	

FY2017 Non-drought Revenue Summary

Rate Category	Residential	Commercial	Misc. & Other [1]	Total	
Fixed Service Charges	\$5,181,808	\$852,862	\$12,490	\$6,047,159	44.3%
Volume Rates	<u>\$5,925,689</u>	<u>\$1,682,152</u>	<u>\$0</u>	<u>\$7,607,841</u>	<u>55.7%</u>
Total	\$11,107,497	\$2,535,013	\$12,490	\$13,655,000	100.0%
	81.3%	18.6%	0.1%	100.0%	

FY2017 Drought Revenue Summary

Rate Category	Residential	Commercial	Misc. & Other [1]	Total	
Fixed Service Charges	\$5,248,884	\$852,862	\$9,866	\$6,111,611	44.8%
Volume Rates	<u>\$5,803,949</u>	<u>\$1,739,440</u>	<u>\$0</u>	<u>\$7,543,389</u>	<u>55.2%</u>
Total	\$11,052,833	\$2,592,301	\$9,866	\$13,655,000	100.0%
	80.9%	19.0%	0.1%	100.0%	

[1] Construction water revenue

5.10 Rate Design Alternatives

The rates calculated in this report are designed to fairly recover the proportional cost of service from each customer taking water service from the City of Clovis. Rates were designed with staff input to meet the administrative needs of the City and to conform to the City's billing software requirements. This subsection provides rate design alternatives that the City could consider.

5.10.1 Commercial Meter Charges

For ease of billing, all commercial customers (businesses, landscape meters, standby fire meters, and recycled water meters) are charged the same fixed charges. The City could develop separate fixed charges for each commercial sub-group. For instance, water quality costs are recovered through a fixed charge and then deducted from the recycled water volume rate. The City could offer recycled water customers a discount to their meter charges rather than the volume rate. Similarly, the City could conduct an engineering and financial review of fire flow demands vs. average day demands. Standby fire meters could potentially be offered separate rate.

5.10.2 Commercial Volume Rates

Commercial customers are proposed to have the same tier 1 breakpoint of 23,000 gallons as residential customers for ease of billing. An alternative rate option is a single average rate for

all potable commercial use. The advantage of an average commercial rate is that it accounts for heterogeneity of the commercial class. As shown in Table 4-5, average day commercial water use varies greatly by meter size and a tiered rate structure may not reflect the usage patterns of larger water users.

SECTION 6: BILL IMPACTS

The overall revenue impact of the proposed rate change to each customer class is provided in Section 5.9. This section provides a review of the bill impacts on typical customers.

6.1 Residential Non-drought Bill Impacts

The proposed residential rate changes include an increase to the fixed charge and elimination of the current 10,000 gallon water allowance. This changes impact low water users to a greater degree than high residential water users. The typical winter water use under non-drought conditions averages 14,000 gallons bimonthly per single family residential customer. Under the proposed rates, the average winter bill would increase. The annual average single residential water use across all six bimonthly billing periods is 27,000 gallons. Under the proposed rates, the average residential bill would increase slightly by \$0.93. Higher water use customers would receive bill decreases under the proposed rates, see Table 6-1.

Multifamily residential customers use much less water per dwelling unit than single family residential customers. The average winter water use per multifamily dwelling unit is 9,000 gallons bimonthly and the average summer water use per multifamily dwelling unit is 17,000 gallons bimonthly. The average multifamily dwelling unit will pay more under the proposed non-drought rates during each billing period, Table 6-2.

Table 6-1: Current and Proposed Non-drought Typical Single Family Residential Bills
Water User Rates and Fee Study
City of Clovis

Typical Winter Single Family Residential Bill
14,000 gallons bimonthly water use

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$0.86	x	14	\$12.04
Tier 2 (10-35)	\$1.71	x	4	\$6.84	Tier 2 (23-40)	\$1.45	x	0	\$0.00
Tier 3 (35-70)	\$2.14	x	0	\$0.00	Tier 3 (40+)	\$1.78	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$23.64	Total Bill				\$33.26
								Change	\$9.62

Typical Average Single Family Residential Bill
27,000 gallons bimonthly water use

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$0.86	x	23	\$19.78
Tier 2 (10-35)	\$1.71	x	17	\$29.07	Tier 2 (23-40)	\$1.45	x	4	\$5.80
Tier 3 (35-70)	\$2.14	x	0	\$0.00	Tier 3 (40+)	\$1.78	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$45.87	Total Bill				\$46.80
								Change	\$0.93

Typical Summer Single Family Residential Bill
44,000 gallons bimonthly water use

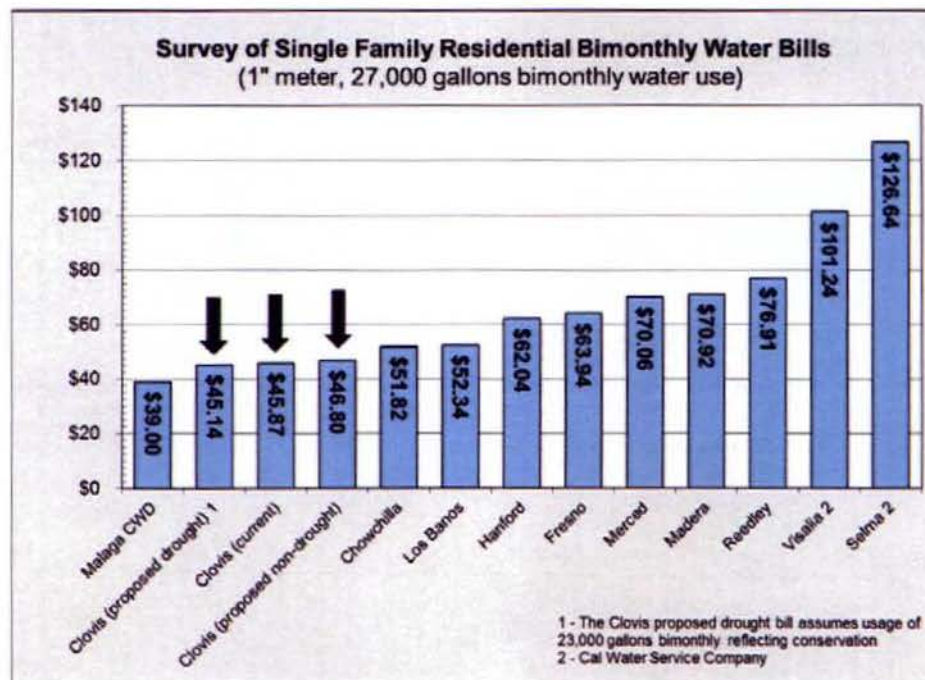
Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$0.86	x	23	\$19.78
Tier 2 (10-35)	\$1.71	x	25	\$42.75	Tier 2 (23-40)	\$1.45	x	17	\$24.65
Tier 3 (35-70)	\$2.14	x	9	\$19.26	Tier 3 (40+)	\$1.78	x	4	\$7.12
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$78.81	Total Bill				\$72.77
								Change	(\$6.04)

Single Family Residential High Water User Residential Bill
70,000 gallons bimonthly water use

Current					Proposed				
	Rate		Units	Total		Rate	Units	Total	
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$0.86	x	23	\$19.78
Tier 2 (10-35)	\$1.71	x	25	\$42.75	Tier 2 (23-40)	\$1.45	x	17	\$24.65
Tier 3 (35-70)	\$2.14	x	35	\$74.90	Tier 3 (40+)	\$1.78	x	30	\$54.40
Tier 4 (70+)	\$2.57	x	0	\$0.00					
Total Bill				\$134.45	Total Bill			\$119.05	
							Change	(\$15.40)	

Figure 3 provides a bill survey comparing the City's average single family residential bimonthly bill with the bills charged by other local water agencies. The City's current and proposed non-drought bills are nearly the lowest in the region. The proposed drought bill is not included in the survey. It is unknown if other local agencies will adopt drought rates into the future.

Figure 3: Non-drought Single Family Residential Bill Survey



**Table 6-2: Current and Proposed Non-drought Typical Multiple Family Residential Bills
Water User Rates and Fee Study
City of Clovis**

Typical Winter Multiple Family Residential Bill
9,000 gallons bimonthly water use – Use per dwelling unit

Current				Proposed			
	Rate	Units	Total		Rate	Units	Total
Dwelling Unit Charge	\$16.80	x 1	\$16.80	Dwelling Unit Charge	\$21.22	x 1	\$21.22
Water Use				Water Use			
Tier 1 (0-10)	\$0.00	x 9	\$0.00	Tier 1 (0-23)	\$0.86	x 9	\$7.74
Tier 2 (10-35)	\$1.71	x 0	\$0.00	Tier 2 (23-40)	\$1.45	x 0	\$0.00
Tier 3 (35-70)	\$2.14	x 0	\$0.00	Tier 3 (40+)	\$1.78	x 0	\$0.00
Tier 4 (70+)	\$2.57	x 0	<u>\$0.00</u>				
Total Bill			\$16.80	Total Bill			\$28.96
						Change	\$12.16

Typical Average Multiple Family Residential Bill
13,000 gallons bimonthly water use

Current				Proposed			
	Rate	Units	Total		Rate	Units	Total
Dwelling Unit Charge	\$16.80	x 1	\$16.80	Dwelling Unit Charge	\$21.22	x 1	\$21.22
Water Use				Water Use			
Tier 1 (0-10)	\$0.00	x 10	\$0.00	Tier 1 (0-23)	\$0.86	x 13	\$11.18
Tier 2 (10-35)	\$1.71	x 3	\$5.13	Tier 2 (23-40)	\$1.45	x 0	\$0.00
Tier 3 (35-70)	\$2.14	x 0	\$0.00	Tier 3 (40+)	\$1.78	x 0	\$0.00
Tier 4 (70+)	\$2.57	x 0	<u>\$0.00</u>				
Total Bill			\$21.93	Total Bill			\$32.40
						Change	\$10.47

Typical Summer Residential Bill
17,000 gallons bimonthly water use

Current				Proposed			
	Rate	Units	Total		Rate	Units	Total
Dwelling Unit Charge	\$16.80	x 1	\$16.80	Dwelling Unit Charge	\$21.22	x 1	\$21.22
Water Use				Water Use			
Tier 1 (0-10)	\$0.00	x 10	\$0.00	Tier 1 (0-23)	\$0.86	x 17	\$14.62
Tier 2 (10-35)	\$1.71	x 7	\$11.97	Tier 2 (23-40)	\$1.45	x 0	\$0.00
Tier 3 (35-70)	\$2.14	x 0	\$0.00	Tier 3 (40+)	\$1.78	x 0	\$0.00
Tier 4 (70+)	\$2.57	x 0	<u>\$0.00</u>				
Total Bill			\$28.77	Total Bill			\$35.84
						Change	\$7.07

6.2 Residential Drought Bill Impacts

The residential bill impacts under the drought rates depend heavily on water conservation. If residential customers meet their conservation targets, they will pay approximately the same bill under the drought and non-drought scenarios. For example, the proposed average single family winter bimonthly bill would be \$33.26 under the non-drought scenario and \$32.66 under the drought scenario. The proposed annual average bimonthly bill would be \$46.80 under the non-drought scenario and \$45.14 under the drought scenario. The multiple family average bill impacts are shown in Table 6-4.

**Table 6-3: Current and Proposed Drought Typical Single Family Residential Bills
Water User Rates and Fee Study
City of Clovis**

Typical Winter Single Family Residential Bill
14,000 gallons bimonthly water use reduced to 11,000 gallons

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$1.04	x	11	\$11.44
Tier 2 (10-35)	\$1.71	x	4	\$6.84	Tier 2 (23-40)	\$2.10	x	0	\$0.00
Tier 3 (35-70)	\$2.14	x	0	\$0.00	Tier 3 (40+)	\$2.66	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$23.64	Total Bill				\$32.66
								Change	\$9.13

Typical Average Single Family Residential Bill
27,000 gallons bimonthly water use reduced to 23,000 gallons

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$1.04	x	23	\$23.92
Tier 2 (10-35)	\$1.71	x	17	\$29.07	Tier 2 (23-40)	\$2.10	x	0	\$0.00
Tier 3 (35-70)	\$2.14	x	0	\$0.00	Tier 3 (40+)	\$2.66	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$45.87	Total Bill				\$45.14
								Change	(\$0.73)

Typical Summer Single Family Residential Bill
44,000 gallons bimonthly water use reduced to 36,000 gallons

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$1.04	x	23	\$23.92
Tier 2 (10-35)	\$1.71	x	25	\$42.75	Tier 2 (23-40)	\$2.10	x	13	\$27.30
Tier 3 (35-70)	\$2.14	x	9	\$19.26	Tier 3 (40+)	\$2.66	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$78.81	Total Bill				\$72.44
								Change	(\$6.37)

Single Family Residential High Water User Residential Bill
70,000 gallons bimonthly water use reduced to 50,000 gallons

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$1.04	x	23	\$23.92
Tier 2 (10-35)	\$1.71	x	25	\$42.75	Tier 2 (23-40)	\$2.10	x	17	\$35.70
Tier 3 (35-70)	\$2.14	x	35	\$74.90	Tier 3 (40+)	\$2.66	x	10	\$26.60
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$134.45	Total Bill				\$107.44
							Change		(\$27.01)

Table 6-4: Current and Proposed Drought Typical Multiple Family Residential Bills
Water User Rates and Fee Study
City of Clovis

Typical Winter Multiple Family Residential Bill

9,000 gallons bimonthly water use reduced to 7,000 gallons – Use per dwelling unit

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	9	\$0.00	Tier 1 (0-23)	\$1.04	x	7	\$7.28
Tier 2 (10-35)	\$1.71	x	0	\$0.00	Tier 2 (23-40)	\$2.10	x	0	\$0.00
Tier 3 (35-70)	\$2.14	x	0	\$0.00	Tier 3 (40+)	\$2.66	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$16.80	Total Bill				\$28.50
								Change	\$11.70

Typical Average Multiple Family Residential Bill

13,000 gallons bimonthly water use reduced to 10,000 gallons

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$1.04	x	10	\$10.40
Tier 2 (10-35)	\$1.71	x	3	\$5.13	Tier 2 (23-40)	\$2.10	x	0	\$0.00
Tier 3 (35-70)	\$2.14	x	0	\$0.00	Tier 3 (40+)	\$2.66	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$21.93	Total Bill				\$31.62
								Change	\$9.69

Typical Summer Residential Bill

17,000 gallons bimonthly water use reduced to 13,000 gallons

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Dwelling Unit Charge	\$16.80	x	1	\$16.80	Dwelling Unit Charge	\$21.22	x	1	\$21.22
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	10	\$0.00	Tier 1 (0-23)	\$1.04	x	13	\$13.52
Tier 2 (10-35)	\$1.71	x	7	\$11.97	Tier 2 (23-40)	\$2.10	x	0	\$0.00
Tier 3 (35-70)	\$2.14	x	0	\$0.00	Tier 3 (40+)	\$2.66	x	0	\$0.00
Tier 4 (70+)	\$2.57	x	0	<u>\$0.00</u>					
Total Bill				\$28.77	Total Bill				\$34.74
								Change	\$5.97

6.3 Commercial Bill Impacts

As described throughout this report, the majority of commercial rates and charges are proposed to decrease under both drought and non-drought scenarios. Sample commercial bills are shown in Table 6-5 and Table 6-6. Under the drought scenario, it is assumed that commercial customers would conserve by 13%.

Table 6-5: Current and Proposed Non-drought Commercial Bills
Water User Rates and Fee Study
City of Clovis

Water assumed to decrease by 13%

Grocery Store

1" meter, 3,018,000 annual water use (503,000 avg bimonthly use)

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Meter Charge	\$16.80	x	6	\$100.80	Meter Charge	\$17.10	x	6	\$102.60
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	60	\$0.00	Tier 1 (0-23)	\$0.86	x	138	\$118.68
Tier 2 (10+)	\$1.47	x	<u>2,958</u>	<u>\$4,348.26</u>	Tier 2 (23+)	\$1.17	x	<u>2,880</u>	<u>\$3,369.60</u>
Total Bill			3,018	\$4,449.06	Total Bill			3,018	\$3,590.88
Avg Bill				\$741.51					\$598.48
								Change	(\$143.03)

Mexican Restaurant

1" meter, 328,000 annual water use (55,000 avg bimonthly use)

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Meter Charge	\$16.80	x	6	\$100.80	Meter Charge	\$17.10	x	6	\$102.60
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	60	\$0.00	Tier 1 (0-23)	\$0.86	x	138	\$118.68
Tier 2 (10+)	\$1.47	x	268	\$393.96	Tier 2 (23+)	\$1.17	x	190	\$222.30
Total Bill			328	\$494.76	Total Bill			328	\$443.58
Avg Bill				\$82.46					\$73.93
								Change	(\$8.53)

Landscape Account Senior Living

1 1/2" meter, 3,157,000 annual water use (526,000 avg bimonthly use)

Current				Proposed					
	Rate		Units	Total		Rate		Units	Total
Meter Charge	\$28.32	x	6	\$169.92	Meter Charge	\$22.74	x	6	\$136.44
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	60	\$0.00	Tier 1 (0-23)	\$0.86	x	138	\$118.68
Tier 2 (10+)	\$1.47	x	3,097	\$4,552.59	Tier 2 (23+)	\$1.17	x	3,019	\$3,532.23
Total Bill			3,157	\$4,722.51	Total Bill			3,157	\$3,787.35
Avg Bill				\$787.09					\$631.23
								Change	(\$155.86)

Big Box Retail Store

2" meter, 1,043,000 annual water use (174,000 avg bimonthly use)

Current				Proposed			
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	Rate		Units	Total		Rate		Units	Total
Meter Charge	\$42.16	x	6	\$252.96	Meter Charge	\$31.40	x	6	\$188.40
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	60	\$0.00	Tier 1 (0-23)	\$0.86	x	138	\$118.68
Tier 2 (10+)	\$1.47	x	983	<u>\$1,445.01</u>	Tier 2 (23+)	\$1.17	x	905	<u>\$1,058.85</u>
Total Bill			1,043	\$1,697.97	Total Bill			1,043	\$1,365.93
Avg Bill				\$283.00				Change	\$227.66 (\$55.34)

Hotel
4" meter, 2,605,000 annual water use (434,000 avg bimonthly use)
4" fire meter

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Meter Charge	\$120.62	x	12	\$1,447.44	Meter Charge	\$156.42	x	12	\$1,877.04
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	60	\$0.00	Tier 1 (0-23)	\$0.86	x	138	\$118.68
Tier 2 (10+)	\$1.47	x	2,545	<u>\$3,741.15</u>	Tier 2 (23+)	\$1.17	x	2,467	<u>\$2,886.39</u>
Total Bill			2,605	\$5,188.59	Total Bill			2,605	\$4,882.11
Avg Bill				\$864.77				Change	\$813.69 (\$51.08)

Elementary School
4" meter, 11,881,000 annual water use (1,980,000 avg bimonthly use)

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Meter Charge	\$120.62	x	6	\$723.72	Meter Charge	\$156.42	x	6	\$938.52
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	60	\$0.00	Tier 1 (0-23)	\$0.86	x	138	\$118.68
Tier 2 (10+)	\$1.47	x	11,821	<u>\$17,376.87</u>	Tier 2 (23+)	\$1.17	x	11,743	<u>\$13,739.31</u>
Total Bill			11,881	\$18,100.59	Total Bill			11,881	\$14,796.51
Avg Bill				\$3,016.77				Change	\$2,466.09 (\$550.68)

**Table 6-6: Current and Proposed Drought Commercial Bills
Water User Rates and Fee Study
City of Clovis**

Water use assumed to decrease by 13%

Grocery Store

1" meter, 3,018,000 annual water use (503,000 avg bimonthly use)

Current				Proposed			
	Rate	Units	Total		Rate	Units	Total
Meter Charge	\$16.80	x 6	\$100.80	Meter Charge	\$17.10	x 6	\$102.60
Water Use				Water Use			
Tier 1 (0-10)	\$0.00	x 60	\$0.00	Tier 1 (0-23)	\$1.04	x 138	\$143.52
Tier 2 (10+)	\$1.47	x <u>2,958</u>	<u>\$4,348.26</u>	Tier 2 (23+)	\$1.40	x <u>2,488</u>	<u>\$3,483.20</u>
Total Bill		3,018	\$4,449.06	Total Bill		2,626	\$3,729.32
Avg Bill			\$741.51				\$621.55
						Change	(\$119.96)

Mexican Restaurant

1" meter, 328,000 annual water use (55,000 avg bimonthly use)

Current				Proposed			
	Rate	Units	Total		Rate	Units	Total
Meter Charge	\$16.80	x 6	\$100.80	Meter Charge	\$17.10	x 6	\$102.60
Water Use				Water Use			
Tier 1 (0-10)	\$0.00	x 60	\$0.00	Tier 1 (0-23)	\$1.04	x 138	\$143.52
Tier 2 (10+)	\$1.47	x <u>268</u>	<u>\$393.96</u>	Tier 2 (23+)	\$1.40	x <u>147</u>	<u>\$205.80</u>
Total Bill		328	\$494.76	Total Bill		285	\$451.92
Avg Bill			\$82.46				\$75.32
						Change	(\$7.14)

Landscape Account Senior Living

1 1/2" meter, 3,157,000 annual water use (526,000 avg bimonthly use)

Current				Proposed			
	Rate	Units	Total		Rate	Units	Total
Meter Charge	\$28.32	x 6	\$169.92	Meter Charge	\$22.74	x 6	\$136.44
Water Use				Water Use			
Tier 1 (0-10)	\$0.00	x 60	\$0.00	Tier 1 (0-23)	\$1.04	x 138	\$143.52
Tier 2 (10+)	\$1.47	x <u>3,097</u>	<u>\$4,552.59</u>	Tier 2 (23+)	\$1.40	x <u>2,609</u>	<u>\$3,652.60</u>
Total Bill		3,157	\$4,722.51	Total Bill		2,747	\$3,932.56
Avg Bill			\$787.09				\$655.43
						Change	(\$131.66)

Big Box Retail Store

2" meter, 1,043,000 annual water use (174,000 avg bimonthly use)

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Meter Charge	\$42.16	x	6	\$252.96	Meter Charge	\$31.40	x	6	\$188.40
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	60	\$0.00	Tier 1 (0-23)	\$1.04	x	138	\$143.52
Tier 2 (10+)	\$1.47	x	983	\$1,445.01	Tier 2 (23+)	\$1.40	x	769	\$1,076.60
Total Bill			1,043	\$1,697.97	Total Bill			907	\$1,408.52
Avg Bill				\$283.00					\$234.75
							Change		(\$48.25)

Hotel

4" meter, 2,605,000 annual water use (434,000 avg bimonthly use)

4" fire meter

Current					Proposed				
	Rate		Units*	Total		Rate		Units*	Total
Meter Charge	\$120.62	x	12	\$1,447.44	Meter Charge	\$156.42	x	12	\$1,877.04
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	60	\$0.00	Tier 1 (0-23)	\$1.04	x	138	\$143.52
Tier 2 (10+)	\$1.47	x	<u>2,545</u>	<u>\$3,741.15</u>	Tier 2 (23+)	\$1.40	x	<u>2,128</u>	<u>\$2,979.20</u>
Total Bill			<u>2,605</u>	<u>\$5,188.59</u>	Total Bill			<u>2,266</u>	<u>\$4,999.76</u>
Avg Bill				\$864.77					\$833.29
*Includes fire meter								Change	(\$31.48)

Elementary School

4" meter, 11,881,000 annual water use (1,980,000 avg bimonthly use)

Current					Proposed				
	Rate		Units	Total		Rate		Units	Total
Meter Charge	\$120.62	x	6	\$723.72	Meter Charge	\$156.42	x	6	\$938.52
Water Use					Water Use				
Tier 1 (0-10)	\$0.00	x	60	\$0.00	Tier 1 (0-23)	\$1.04	x	138	\$143.52
Tier 2 (10+)	\$1.47	x	<u>11,821</u>	<u>\$17,376.87</u>	Tier 2 (23+)	\$1.40	x	<u>10,198</u>	<u>\$14,277.20</u>
Total Bill			11,881	\$18,100.59	Total Bill			10,336	\$15,359.24
Avg Bill				\$3,016.77					\$2,559.87
								Change	(\$456.90)

SECTION 7: MISCELLANEOUS FEES

As part of the rate study process, BWA evaluated the City's meter testing fee, after hours turn on fee, and same day turn-on for water shutoffs. These fees are subject to Proposition 218. Fees and charges levied by state and local governmental agencies must meet the requirements of Proposition 26, a Constitutional Amendment that was narrowly approved by California voters on the November 2010 ballot. Proposition 26 redefines fees and charges levied by local agencies as "taxes", which are subject to voter approval. However, Proposition 26 included seven exceptions under which local fees are not considered taxes and are therefore not subject to voter approval. All of the fees imposed by the City meet one or more of these criteria to be exempted from voter approval as a tax. These exceptions include:

- A fee that is imposed for a special benefit or privilege provided to an individual, does not exceed the reasonable cost of service, and does not provide broad, general benefits to others in the community;
- A fee imposed for a specific government service or product provided directly to the person paying the fee, that does not exceed the reasonable cost of providing service;
- A charge imposed for reasonable regulatory costs (i.e. licenses, audits, inspections, permits) that does not exceed the reasonable cost of service;
- Rental or lease fees charged for the use of or entrance to governmental property;
- Fines or penalties imposed for violations of the law;
- A charge imposed as a condition of property development (such charges are governed by California Government Code Section 66000 et. seq. with Water and Sewer Capacity Charges governed specifically by Section 66013);
- Assessments and property-related fees imposed under the provisions of Proposition 218, such as the City's water and sewer service charges.

For fees that cannot exceed the reasonable cost of service, the City can charge up to the cost of providing service, but also has the option of charging less than the cost of service at its discretion. The City's meter testing fee, after hours turn on fee, and same day turn-on for water shutoffs fall into this category.

To calculate the cost of service for each fee, the City estimated the number of staff hours needed to complete each service, the hourly rate for each staff member, and the cost of materials and supplies. Table 7-1 provides the water utility staff and hourly rates. The salary cost for each staff member is adjusted to by a benefits loader to reflect the costs of worker's compensation, overtime, and health benefits. As a second step, a productive hourly rate is calculated assuming ten paid holidays and 6.5 hours of productive time daily. Productive time is the workday less management, administration, and training time.

**Table 7-1: Staffing Costs
Water User Rates and Fee Study
City of Clovis**

Benefits Loader		46%	
Productive Hours			81%
Water Enterprise Staff	Salary	Encumbered Cost	Total Hourly Rate
Maintenance Worker/Senior Maintenance Worker	\$62,160	\$90,734	\$55.84
Meter Reader/Utility Worker	\$57,204	\$83,499	\$51.38

The City estimated the staff time and materials to provide each type of service. The final cost of service also includes a 10% administrative markup, see Table 7-2, Table 7-3, and Table 7-4.

**Table 7-2: Meter Testing Cost of Service
Water User Rates and Fee Study
City of Clovis**

	Hours	Hourly rate	Total Cost
Meter Reader/Utility Worker	1.5	\$51.38	\$77.08
Administrative Charge		10%	\$7.71
Total			\$84.78

**Table 7-3: After Hours Turn On Fee Cost of Service
Water User Rates and Fee Study
City of Clovis**

	Hours	Hourly rate	Total Cost
Maintenance Worker/Senior Maintenance Worker	3	\$44.83	\$134.49
Vehicles	1	\$24.09	\$24.09
Subtotal			\$158.58
Administrative Charge		10%	\$15.86
Total			\$174.44

**Table 7-4: Same Day Turn On Fee Cost of Service
Water User Rates and Fee Study
City of Clovis**

	Hours	Hourly rate	Total Cost
Maintenance Worker/Senior Maintenance Worker	1	\$55.84	\$55.84
Administrative Charge		10%	\$5.58
Total			\$61.42

For ease of billing, the final proposed fees are rounded down and are slightly below the actual cost of providing service, see Table 7-5. The City's proposed fees will be similar to the fees charged by other local agencies.

**Table 7-5: Proposed Fees
Water User Rates and Fee Study
City of Clovis**

Miscellaneous Service Fees	Current Fee	Proposed Fee	Comparable Agency Fees
Meter testing	\$60.00	\$84.00	Los Banos: \$25 Malaga: \$121.36
After hours turn on	\$125.00	\$174.00	Fresno: \$169 Modesto: \$60 Coalinga: \$105
Same day turn-on for water shutoffs	\$50.00	\$60.00	Coalinga: \$45 Modesto: \$42.50 Malaga: \$60.69

SECTION 8: CONCLUSIONS AND RECOMMENDATIONS

Water rates and fees in California have come under increased legal scrutiny. Rates and charges must be supported by a detailed cost of service analysis. Proposition 218 is the statute governing how California public agencies may set rates for water, sewer, and refuse service. Proposition 218 requires that rates be based on the cost of providing service and proportional to the benefit received by each customer taking service. The judge's ruling in the recent *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano* court case further specified that each water rate tier breakpoint (i.e. the consumption used in each tier) and the price of each tier must be individually cost-justified.

The City's water rates and charges must also encourage water conservation. April 1, 2015, Governor Brown issued Executive Order B-29-15 that directs the State Water Resources Control Board to impose restrictions to achieve reductions in urban water use as compared to 2013 use. The conservation target for the City of Clovis is 34%.

8.1 Conclusions

The purpose of this report is to provide an administrative record that allocates the cost of service to customers, and fairly and equitably designs the water rates and charges while promoting the efficient use of water. As described in previous sections, some rates and charges are proposed to increase and other rates and charges are proposed to decrease. This shift in cost recovery will impact various customers differently. Ultimately, the proposed rates better align with the City's actual cost of providing water service.

8.2 Recommendations

BWA recommends that the City adopt the drought scenario water rates proposed in this report. Under Proposition 218, public agencies adopt water rates via a public noticing and approval process. Agencies must mail noticing describing the rate increase and the maximum proposed rates to each property owner or rate payer within the service area. After holding a public hearing, agencies may adopt the rates shown in the public notice absent a majority protest of the residents. Rates approved under the Proposition 218 process are the legal maximum rates that an agency may implement. Agencies have the option to adopt lower rates than those approved under Proposition 218 at a later time without having to conduct additional noticing or hearings. Therefore, BWA recommends that the City adopt the proposed drought rates and transition to the lower, non-drought rates at a later date should drought conditions improve.

BWA generally recommends that public agencies conduct cost of service reviews every five years to account for changes in operation of the water system and changes in the customer base. In particular, BWA recommends that the City monitor the recycled water customer class and adjust the recycled water cost of service when the customer class is more mature.

The City will be conducting a Water Master Plan in the near future. The City should review its water demand peaking factors. If possible, separate peaking factors should be developed for the residential and commercial customer classes and used to update the rates. An engineering and financial review of fire flow demand costs should also be conducted to better define the cost of serving fire meters.

APPENDIX A: Non-drought Rates and Revenues

	Estimated FY2017		
	Rate	Units	Revenue
Residential			
Dwelling Unit Charge	\$21.22	231,253	\$4,907,189
Water Use			
Tier 1 (0-23)	\$0.86	3,697,077	\$3,179,486
Tier 2 (23-40)	\$1.45	973,138	\$1,411,050
Tier 3 (40+)	\$1.78	<u>721,057</u>	<u>\$1,283,481</u>
Total Metered Residential		5,391,272	\$5,874,018
Tarpey Unmetered (63kgal)	\$106.58	2,568	\$273,697
Tarpey Large Lot	\$5.12	180	\$922
Tarpey Excess Use Charges	\$1.78	29,029	<u>\$51,671</u>
Total Unmetered			\$326,290
Total Residential			\$11,107,497
Potable Commercial			
1" or smaller	\$17.10	3,491	\$59,696
1 1/2"	\$22.74	1,920	\$43,661
2"	\$31.40	5,305	\$166,577
3"	\$62.18	505	\$31,401
4"	\$156.42	3,145	\$491,941
6"	\$623.90	22	\$13,414
8"	\$1,105.96	0	\$0
10"	\$1,732.64	<u>18</u>	<u>\$31,188</u>
		14,406	\$837,877
Water Use			
Tier 1 (0-23)	\$0.86	157,049	\$135,062
Tier 2 (23+)	\$1.17	<u>1,296,544</u>	<u>\$1,516,956</u>
		1,453,593	\$1,652,019
Total Potable Commercial			\$2,489,896
Recycled Water			
2"	\$31.40	49	\$1,539
3"	\$62.18	26	\$1,586
4"	\$156.42	31	\$4,771
6"	\$623.90	3	\$1,560
8"	\$1,105.96	5	\$5,530
10"	\$1,732.64	<u>0</u>	<u>\$0</u>
		113	\$14,985
Water Use	\$0.53	56,855	\$30,133
Total Recycled Water			\$45,118
Construction Water	\$106.58	Unknown/estimate	\$12,490
Total			\$13,655,000

APPENDIX B: Drought Rates and Revenues

	Estimated FY2017 - drought conditions		
	Rate	Units	Revenue
Residential			
Dwelling Unit Charge	\$21.22	231,253	\$4,907,189

Water Use			
Tier 1 (0-23)	\$1.04	3,460,238	\$3,598,648
Tier 2 (23-40)	\$2.10	636,492	\$1,336,634
Tier 3 (40+)	\$2.66	306,187	<u>\$814,457</u>
Total Metered Residential		4,402,917	\$5,749,738
Tarpey Unmetered (63kgal)	\$132.70	2,568	\$340,774
Tarpey Large Lot	\$5.12	180	\$922
Tarpey Excess Use Charges	\$2.49	21,772	<u>\$54,211</u>
Total Unmetered Residential			\$395,906
Total Residential			\$11,052,833
Potable Commercial			
1" or smaller	\$17.10	3,491	\$59,696
1 1/2"	\$22.74	1,920	\$43,661
2"	\$31.40	5,305	\$166,577
3"	\$62.18	505	\$31,401
4"	\$156.42	3,145	\$491,941
6"	\$623.90	22	\$13,414
8"	\$1,105.96	0	\$0
10"	\$1,732.64	18	<u>\$31,188</u>
		14,406	\$837,877
Water Use			
Tier 1 (0-23)	\$1.04	155,735	\$161,964
Tier 2 (23+)	\$1.40	<u>1,104,026</u>	<u>\$1,545,637</u>
		1,259,761	\$1,707,601
Total Potable Commercial			\$2,545,478
Recycled Water			
2"	\$31.40	49	\$1,539
3"	\$62.18	26	\$1,586
4"	\$156.42	31	\$4,771
6"	\$623.90	3	\$1,560
8"	\$1,105.96	5	\$5,530
10"	\$1,732.64	<u>0</u>	<u>\$0</u>
		113	\$14,985
Water Use	\$0.56	56,855	\$31,839
Total Recycled Water			\$46,823
Construction Water	\$132.70	Unknown/estimate	\$9,866
Total			\$13,655,000

ATTACHMENT B
Rate Study

ATTACHMENT C
Public Notice



City of Clovis
City Clerk's Office
1033 Fifth Street
Clovis, CA 93612

NOTICE OF PUBLIC HEARING
April 11, 2016 AT 6:00PM
ON PROPOSED WATER RATE ADJUSTMENTS

Pursuant to Article 13D of the California Constitution (Proposition 218), the City Council will hold a Public Hearing on the proposed water rates on **Monday, April 11, 2016 beginning at 6:00 p.m.** in the City of Clovis Council Chambers located at 1033 Fifth Street Clovis, CA 93612. For more information go to www.cityofclovis.com or call (559) 324-2190.

What are the proposed water rates?

The City of Clovis is proposing to adjust the water rates it charges its customers. The attached table shows the current rates and the proposed rates. There are two schedules of rates proposed; one is for normal water conditions and one for drought or water shortage conditions. The proposed Normal Rates would be in effect during normal water supply years and when the City is not required to reduce water use. The proposed Drought Rates would be effective when the City is short of water and/or is required to significantly reduce water use. Due to the State's current water conservation mandates, the proposed Drought Rates would be in effect if they are approved. The proposed rates are scheduled to be effective July 1, 2016. Beginning on July 1, 2017, an annual 3% increase will be implemented on all rates if necessary to adjust for the tendency of costs to increase over time.

How will this affect my bills?

Both of the proposed water rate schedules are designed to generate approximately the same amount of revenue as the current rates do in a normal year and the average water bill will change very little. However, individual customers' bills will change under the new rates depending on how much water they use; some will go up and some will go down. Generally, winter bills and lower water users' bills will go up, and summer bills and higher water users' bills will go down. Commercial water bills would generally go down, but these also would vary based on size of meter and how much water they use.

Why is a rate change needed?

The rate changes are necessary to better align the rates and charges with the costs of serving residential, commercial and recycled water customers. Additionally there is a need to adjust rates due to drought conditions and to more fairly recover costs from customers. A complete study on the rates was prepared and is available at www.cityofclovis.com or call (559) 324-2190

What if I oppose the proposed rate changes?

Any property owner or customer of record may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel. If protests are filed on behalf of a majority of the parcels subject to the rates and charges at issue prior to the close of the April 11, 2016 public hearing, the City cannot adopt the proposed water rate adjustment.

If you want to protest the water rate adjustments, you may by providing a written protest that:

- 1) States that the identified property owner or customer is in opposition to the proposed water rate change;
- 2) Provides the location of the identified parcel (by assessor's parcel number or street address); and
- 3) Includes the name and signature of the property owner or customer submitting the protest.

Written protests may be submitted by mail to the City Clerk, City of Clovis, 1033 Fifth Street, Clovis, CA 93612 or in person at the same address; or at the public hearing on April 11, 2016 at 6 pm at City Hall, so long as they are received prior to the conclusion of the public hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Identify on the front of the envelope for any protest, whether mailed or submitted in person to the City Clerk, that the enclosed letter is for the Public Hearing on the Proposed Water Rates and Charges.

Current and Proposed Water Rates

	Current	Proposed Normal Rates	Proposed Drought Rates
Residential Metered			
Dwelling Unit Charge Bimonthly	\$16.80	\$21.22	\$21.22
Water Use			
Current			
Tier 1 (0-10) (\$/kgal)	\$0.00		
Tier 2 (10-35) (\$/kgal)	\$1.71		
Tier 3 (35-70) (\$/kgal)	\$2.14		
Tier 4 (70+) (\$/kgal)	\$2.57		
Proposed			
Tier 1 (0-23) (\$/kgal)		\$0.86	\$1.04
Tier 2 (23-40) (\$/kgal)		\$1.45	\$2.10
Tier 3 (40+) (\$/kgal)		\$1.78	\$2.66
Residential Tarpey Unmetered			
Minimum Charge (63kgal) Bimonthly	\$100.20	\$106.58	\$132.70
Lots over 17,500 sq ft Bimonthly per 7,500 sf	\$4.66	\$5.12	\$5.12
Water Services >1" per 1/4" Bimonthly	\$4.66	\$5.12	\$5.12
Water-cooled AC per ton capacity bimonthly	\$17.70	\$19.46	\$19.46
Cooling towers per ton/hp bimonthly	\$2.80	\$3.08	\$3.08
Heat pumps per ton/hp bimonthly	\$23.30	\$25.60	\$25.60
Average Use Over 63 kgal bimonthly (\$/kgal)	\$1.73	\$1.78	\$2.49
Commercial (Potable) Bimonthly			
1" or smaller	\$16.80	\$17.10	\$17.10
1 1/2"	\$28.32	\$22.74	\$22.74
2"	\$42.16	\$31.40	\$31.40
3"	\$79.06	\$62.18	\$62.18
4"	\$120.62	\$156.42	\$156.42
6"	\$466.66	\$623.90	\$623.90
8"	\$812.70	\$1,105.96	\$1,105.96
10"	\$1,274.12	\$1,732.64	\$1,732.64
Commercial Water Use			
Current			
Tier 1 (0-10)	\$0.00		
Tier 2 (10+)	\$1.47		
Proposed			
Tier 1 (0-23) (\$/kgal)		\$0.86	\$1.04
Tier 2 (23+) (\$/kgal)		\$1.17	\$1.40
Recycled Water Bimonthly			
1" or smaller	\$16.80	\$17.10	\$17.10
1 1/2"	\$28.32	\$22.74	\$22.74
2"	\$42.16	\$31.40	\$31.40
3"	\$79.06	\$62.18	\$62.18
4"	\$120.62	\$156.42	\$156.42
6"	\$466.66	\$623.90	\$623.90
8"	\$812.70	\$1,105.96	\$1,105.96
10"	\$1,274.12	\$1,732.64	\$1,732.64
Recycled Water Use (\$/kgal)			
Current			
Tier 1 (0-10)	\$0.00		
Tier 2 (10+)	\$0.74		
Proposed			
All use		\$0.53	\$0.56
Construction Water Bimonthly	\$91.58	\$132.70	\$132.70
Standby Charge	\$120.62	\$156.42	\$156.42
Hydrant Meter (same as 3" Commercial)			
Meter Testing Fee	\$60.00	\$84.00	\$84.00
After Hours Turn On Fee	\$125.00	\$174.00	\$174.00
Same Day Turn-On For Water Shutoffs Fee	\$50.00	\$60.00	\$60.00
Residential Service Deposit	\$100.00	\$150.00	\$150.00
Kgal – thousand gallons			

The proposed water rates and charges shown at left shall be adjusted July 1, 2017 and annually each July 1 thereafter by three percent (3%). Prior to June 30 of each year beginning in 2017, the Public Utilities Director shall evaluate the water fund balance and if adequate without the annual adjustment or with a lesser adjustment or with a rate rebate, shall recommend to the City Council a suspension or reduction of the rate adjustment or rate rebate for the next fiscal year.



AGENDA ITEM NO: 2-A

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: City Manager

DATE: April 11, 2016

SUBJECT: Provide direction regarding the Proposed Use of Measure C Funds to be advanced to the City of Fresno.