

ORDINANCE 96

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS WATER DISTRICT ESTABLISHING RATES AND CHARGES FOR WATER SERVICE

WHEREAS, the Twentynine Palms Water District (the “District”) operates and is organized under Water Code section 30000 et seq.; and

WHEREAS, the District is authorized to fix and collect charges for the provision of water services pursuant to Water Code section 31001, 31007, and 31025; and

WHEREAS, the District must generate revenues in an amount sufficient to cover the District’s ongoing costs of operations, maintenance, and capital facilities; and

WHEREAS, while the District continually strives for cost reductions and better utilization of the assets it holds, it also needs to keep pace with inflation, drinking water regulations, and other cost increases, many of which it cannot control; and

WHEREAS, the District hired an independent rate consultant to determine how best to recover these projected cost increases over a five-year period and based on this evaluation, and as described below, the District has determined that rate adjustments and increases are necessary to enable it to: recover current and projected increases in the costs of operations and maintenance, including water treatment costs, and capital infrastructure improvements needed to provide safe and reliable drinking water; comply with State mandated regulatory requirements; avoid operational deficits and depletion of reserves; and operate the District in a financially prudent manner; and

WHEREAS, the rate structure for the District’s bi-monthly water service charges is comprised of three components — (1) a fixed service charge (the “Ready to Serve Charge”) for both potable (i.e., treated) and non-potable (i.e., untreated) water customers; (2) a variable water commodity charge (the “Commodity Charge”); and (3) a fixed monthly fire meter service charge (“Fire Meter Service Charge”) (collectively, the “Service Charges”); and

WHEREAS, the Ready to Serve Charge is a fixed charge established on the basis of the size of the water meter (in inches) serving a property and is calculated to recover most of the District’s annual fixed costs of providing water service, such as utilities, equipment, materials, billing, collections, customer service, meter reading, and meter maintenance; and

WHEREAS, the Commodity Charge has a uniform rate, but the amount of the charge imposed varies based on the number of units of water delivered to a property (One unit of water equals one hundred cubic feet (“HCF”), or 748 gallons); the Commodity Charge is calculated to recover the District’s costs of providing water and a portion of its fixed costs.

WHEREAS, the District imposes a Fire meter Charge on certain commercial properties as a condition of extending or initiating water service by (1) the installation of a private fire suppression system, and (2) upon the request of the consumer or property owner for the

delivery of water to the property for the purpose of fire service protection. The rates for the monthly commercial Fire Meter Service Charges are established on the basis of the size of the meter (in inches) serving a property and are calculated to recover the costs of providing water to such properties for private fire service protection; and

WHEREAS, the schedule of proposed Service Charges is attached hereto as Exhibit A, and by this reference incorporated herein; and

WHEREAS, the revenues derived from the proposed Service Charges will not exceed the funds required to provide the water services and shall be used exclusively for the District's water system (the "System"); and

WHEREAS, the amount of the proposed Service Charges will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the proposed Service Charges will not be imposed on a parcel unless the water services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, the District, as the lead agency under the California Environmental Quality Act (CEQA), in consultation with the District's Legal Counsel, prepared a Preliminary Exemption Assessment for the adoption of this Ordinance in order to evaluate its potential impacts. The District determined that this Ordinance is exempt from CEQA review under Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273 because the Service Charges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System and will not result in the expansion of the System; and

WHEREAS, California Constitution article XIII D, section 6 ("Article XIII D") requires that prior to imposing any increase to the Service Charges, the District shall provide written notice (the "Notice") by mail of the proposed increases to such rates and charges to the record owner of each parcel upon which the rates and charges are proposed for imposition and any tenant directly liable for payment of the rates and charges, the amount of the rates and charges proposed to be imposed on each parcel, the basis upon which the rates and charges were calculated, the reason for the rates and charges, and the date time and location of a public hearing (the "Hearing") on the proposed rates and charges; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the rates and charges not less than forty-five days prior to the Hearing on the proposed rates and charges; and

WHEREAS, the District did provide such Notice to the affected property owners and tenants of the proposed Service Charges in compliance with Article XIII D; and

WHEREAS, the Hearing was held on this day, December 16, 2015; and

WHEREAS, at the Hearing the Board of Directors of the District heard and considered all

oral testimony, and considered all written materials, and written protests concerning the establishment and imposition of the proposed Service Charges, and at the close of the Hearing the District did not receive written protests against the establishment and imposition of the proposed Service Charges from a majority of the affected property owners and tenants directly liable for the payment of the Service Charges; and

WHEREAS, the Board of Directors of the District now desires to establish and impose the proposed Service Charges; and

WHEREAS, this Ordinance shall supersede all other previous resolutions and ordinances that may conflict with, or be contrary to, this Ordinance respecting the rates for Service Charges described more particularly herein;

NOW THEREFORE, BE IT ORDAINED, by the Board of Directors of the Twentynine Palms Water District as follows:

1. The Board of Directors of the District finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein.

2. As the decision making body for the District, the Board of Directors has reviewed and considered the information contained in the Preliminary Exemption Assessment and administrative record. The Board of Directors finds that the Preliminary Exemption Assessment contains a complete and accurate reporting of the environmental impacts associated with the adoption of this Ordinance and reflects the independent judgment of the Board.

3. The Board of Directors hereby establishes and imposes the Service Charges set forth in Exhibit A, effective on the dates, at the rates, and in the amounts set forth therein.

4. The Board of Directors hereby finds that the administration, operation, maintenance, and improvements of the System, which are to be funded by the Service Charges set forth herein, are necessary to maintain service within the District's existing service area. The Board of Directors further finds that the administration, operation, maintenance, and improvements of the System, to be funded by the Service Charges set forth herein, will not expand the System. The Board of Directors further finds that such Service Charges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System. Based on these findings, the Board of Directors hereby determines that this Ordinance is exempt from the requirements of CEQA pursuant to California Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273(a) of the.

5. The documents and materials that constitute the record of proceedings on which these findings have been based are located at Twentynine Palms Water District, 72401 Hatch Road, Twentynine Palms, CA 92277. The custodian for these records is the General Manager of the District.

6. The Board of Directors hereby authorizes and directs the General Manager to implement and take all actions necessary to effectuate the rates for the Service Charges

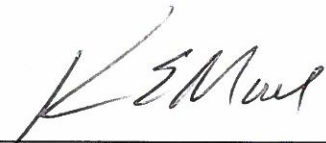
set forth herein and to file a Notice of Exemption with the County Clerk for the County of San Bernardino within five (5) working days of the date of the adoption of this Ordinance.

7. If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The Board of Directors hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

8. This Ordinance shall become effective immediately upon its adoption by the Board of Directors.

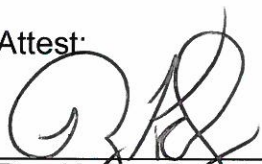
PASSED, APPROVED AND ADOPTED this 16th day of December 2015 by the following vote.

Ayes:	Directors Giannini, Horn, Moore, and Shinaver
Noes:	None
Abstain:	None
Absent:	Director Chambers

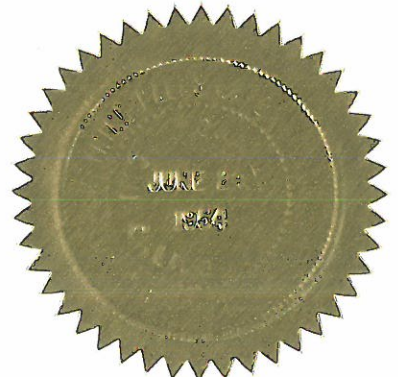


Kerron E. Moore, President
Board of Directors

Attest:



Ray Kollisz, Board Secretary
Twenty-nine Palms Water District



**EXHIBIT A
SERVICE CHARGES**

The following fees are authorized pursuant to Section 3 of District Ordinance No. 96, adopted on December 16, 2015.

BI-MONTHLY RATES FOR READY TO SERVE CHARGE – POTABLE WATER (\$/METER SIZE)

<u>Meter Size (in inches)</u>	<u>Proposed Rates and Effective Dates</u>				
	<u>1/1/ 2016</u>	<u>1/1/ 2017</u>	<u>1/1/ 2018</u>	<u>1/1/2019</u>	<u>1/1/2020</u>
5/8"	\$21.94	\$23.26	\$24.65	\$26.13	\$27.70
3/4"	\$21.94	\$23.26	\$24.65	\$26.13	\$27.70
1" (dual service residential)	\$21.94	\$23.26	\$24.65	\$26.13	\$27.70
1"	\$30.65	\$32.49	\$34.44	\$36.50	\$38.69
1 1/2"	\$52.42	\$55.57	\$58.90	\$62.44	\$66.18
2"	\$78.55	\$83.27	\$88.26	\$93.56	\$99.17
3"	\$161.29	\$170.97	\$181.23	\$192.10	\$203.63
4"	\$283.23	\$300.22	\$318.24	\$337.33	\$357.57
6"	\$575.01	\$609.51	\$646.08	\$684.84	\$725.93

BI-MONTHLY RATES FOR READY TO SERVE CHARGE – NON-POTABLE WATER (\$/METER SIZE)

<u>Meter Size (in inches)</u>	<u>Proposed Rates and Effective Dates</u>				
	<u>1/1/ 2016</u>	<u>1/1/ 2017</u>	<u>1/1/ 2018</u>	<u>1/1/2019</u>	<u>1/1/2020</u>
2"	\$813.75	\$862.57	\$914.32	\$969.18	\$1,027.33

RATES FOR COMMODITY CHARGES (\$/HCF)

	<u>Proposed Rates and Effective Dates</u>				
	<u>1/1/ 2016</u>	<u>1/1/2017</u>	<u>1/1/2018</u>	<u>1/1/2019</u>	<u>1/1/2020</u>
Potable	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33
Non-Potable Water	\$0.49	\$0.52	\$0.55	\$0.58	\$0.61

MONTHLY RATES FOR FIRE SERVICE METER CHARGE (\$/METER SIZE)

<u>Meter Size (in inches)</u>	<u>Proposed Rates and Effective Dates</u>				
	<u>1/1/ 2016</u>	<u>1/1/ 2017</u>	<u>1/1/ 2018</u>	<u>1/1/2019</u>	<u>1/1/2020</u>
2"	\$51.18	\$54.25	\$57.51	\$60.96	\$64.61
3"	\$101.47	\$107.56	\$114.02	\$120.86	\$128.11
4"	\$141.18	\$149.65	\$158.63	\$168.15	\$178.24
6"	\$273.53	\$289.95	\$307.34	\$325.78	\$345.33
8"	\$432.36	\$458.30	\$485.80	\$514.95	\$545.84
10"	\$1,173.54	\$1,243.95	\$1,318.59	\$1,397.70	\$1,481.57