

SUNNYSLOPE COUNTY WATER DISTRICT

ORDINANCE NO. 73

AN ORDINANCE OF SUNNYSLOPE COUNTY WATER DISTRICT IMPOSING RATES, FEES, AND CHARGES FOR WATER SERVICE

Be it ordained by the Board of Directors of
Sunnyslope County Water District
as follows:

Findings. The Sunnyslope County Water District (SSCWD or District) Board of Directors determines that each fact referenced in this section is true and correct.

- A. This Ordinance is enacted pursuant to Sections 30000 and following of the California Water Code and Section 53000 of the Government Code.
- B. This Ordinance amends Article III, Section 3.40.150, and Table 3.40.150 of the Sunnyslope County Water District Code. Proceeds of the charges imposed by this Ordinance may only be used to fund District water supply, operations, and maintenance activities, including capital expenditures to ensure sufficient water quality and quantity is available for present beneficial use or uses, including water supply management, water demand management, water augmentation program expenses such as planning for, acquiring and/or reserving water supply capacity, including engineering, hydrologic, legal, geologic, financial, and property acquisition, and for reserves to meet the cash-flow needs of the District and to otherwise provide for the cost to provide services for which the charge is imposed.
- C. Adoption of this Ordinance is statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines Section 15273 (a) CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of: (1) Meeting operating expenses, including employee wage rates and fringe benefits, (2) Purchasing or leasing supplies, equipment, or materials,(3) Meeting financial reserve needs and requirements, (4) Obtaining funds for capital projects, necessary to maintain service within existing service area. Adoption of this Ordinance is not a Project under CEQA Guidelines Section 15378 as it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment
- D. This Ordinance is considered for action by the Board of Directors (Board) at a special and noticed meeting on August 6, 2013.
- E. The Ordinance prepared by the District's General Manager, in consultation with the District's legal counsel, was posted in the District Office at least five days prior to the Special Board Meeting of August 6, 2013.
- F. At least 10 days prior to the meeting, the District made available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the rates, fees and charges are levied, and the revenue sources anticipated to provide the service, including General Fund revenues.
- G. As required by Article XIII D, Section 6 of the California Constitution, the District mailed a Notice of Public Hearing on the Proposed Water Rates, dated June 14, 2013, along with the proposed new rate schedule, to each property owner within the District and each customer receiving water service from the District. That notice included: (i) a rate table setting forth the amount of the proposed water rates, (ii) the reasons for the water rate increase, (iii) the date, time, and location of the Public Hearing and (iv) information about how to submit a written protest against the proposed water rates. A public hearing was thereafter held not less than 45 days after mailing the notice at which time the District Board received, heard, and considered protests to the proposed new rate schedule and rate increases.

- H. The District accepted written protests against the water rates, fees, and charges pursuant to the procedures established by the Board in its Resolution No. 527.
- I. Rates, fees, and charges for water service were last adjusted by Ordinance 68 on July 16, 2009.
- J. This Ordinance provides for scheduled rate increases for monthly water service charges averaging 11.5% effective December 21, 2013; 11.5% effective December 21, 2014; 11.5% effective December 21, 2015; 11.5% effective December 21, 2016; 11.5% effective December 21, 2017; 3% effective December 21, 2018; and a three tier rate structure for monthly consumption charges in place of the existing five tier rate structure for single family residences and a uniform consumption charge for non-single family water customers, effective December 21, 2013.
- K. The District has received recommendations from its financial consultant, Raftelis Financial Consultants (Consultant), that certain rate amendments are necessary and appropriate to meet the District's revenue requirements to provide funds for water service, Hollister Urban Area Water Project costs, and to meet the District's payment and reserve obligations, including obligations under the District's CSCDA Series 2002A Revenue Bond pooled financing. Specifically, the Consultant recommends scheduled rate increases for water services resulting in revenue increases to the District of 11.5% per year for five years (Fiscal Year 2014 through Fiscal Year 2018) and 3% for Fiscal Year 2019.
- L. The proposed water rates are supported by a Technical Memorandum dated July 3, 2013, prepared by the District's Consultant ("Technical Memorandum"), which has been reviewed by the Board and is available for public inspection in the Office of the District and on the District's website.
- M. The amended rates, fees and charges for water services are for the purpose of (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment, or materials, (3) meeting financial reserve needs and requirements, (4) replacement and repair of water system facilities to maintain service within existing service areas, (5) meeting capital project costs associated with the Hollister Urban Area Water Project and (6) encouraging water conservation through a tiered rate structure in accordance with sections 375 of the California Water Code.
- N. The Hollister Urban Area Water Project includes the upgrade of the Lessalt Water Treatment Plant and pipeline in Fairview Road to meet regulations for disinfection byproducts and for distributing improved water quality to the District's high pressure zone. The construction of a new West Hills Water Treatment Plant to improve the water quality throughout the urban area of Hollister is also part of the Hollister Urban Area Water Project. These improvements are essential to meet specific goals for quality and hardness and reduce the need for water softeners resulting in a reduction in the amount of salt being discharged into the District's and the City of Hollister's wastewater collection system. The resulting reduction of salt entering the wastewater collection system is essential to meet State mandated wastewater discharge regulations for treated wastewater discharges from the District's wastewater treatment plant. These facilities result in increased costs for the purchase of surface water, for water treatment, and for operations and maintenance.
- O. 5,580 parcels are subject to the proposed water rates. A majority protest against the water rates would therefore require 2,791 valid written protests. Based on the number of protests received, a majority protest against the water rates does not exist. The proposed water rates are a property-related charge for water service, as that term is defined by law, and no election is required pursuant to Article XIII D, § 6(c) of the California Constitution. The District's compliance with Proposition 218 is complete.

this Ordinance, and does not affect the validity of any bond or cash deposit posted, filed, or deposited pursuant to the requirements of any ordinance.

Section 5. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, or superseded by some other provision of law, such provisions shall be severed from and shall not affect the validity of the remaining provisions of this Ordinance. The Board hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any other part thereof be unconstitutional or invalid, or superseded by some other provision of law. The parts of this Ordinance that are not unconstitutional, invalid, or superseded shall remain in full force and effect and shall be enforced according to their terms.

Section 6. Interpretation. Words and phrases used in this Ordinance shall be read conjunctively with and shall have the same meaning as in prior District ordinances and the District Code, unless specifically changed by this Ordinance or unless the context requires some other construction. If there is any inconsistency between this Ordinance and prior provisions, this Ordinance shall control.

Section 7. Effective Date. This Ordinance shall take effect immediately on adoption.

Section 8. Judicial Review. Any judicial review of this Ordinance shall be by writ of mandate under Code of Civil Procedure Section 1085. Any action or proceeding seeking to attack, review, set aside, void, or annul this Ordinance shall be commenced within 90 days after the adoption of this Ordinance.

Section 9. Publication and Posting. Within 10 days after adoption, the District shall publish, in a newspaper published in San Benito County and circulated within the District, the full text of this Ordinance, and shall post in the District office a certified copy of the full text of this Ordinance, as adopted, along with the names of those Directors voting for and against adoption.

Section 10. Notice of Exemption and Notice of Determination. The Secretary is authorized and directed to give due notice of exemption of this Ordinance from the provisions of CEQA, pursuant to CEQA Guideline 15062.

On motion of Director Villalon, seconded by Director Clapham, the foregoing Ordinance is enacted and shall take effect on August 6, 2013, by the following roll call of the Board:

AYES: Directors Clapham, Johnson, Hill, Meraz, and Villalon

NAYS: None

ABSENT: None

By:


Dave Meraz, President

ATTEST:


Donald G. Ridenhour, Secretary

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that the foregoing Ordinance was adopted and approved by the Board of Directors at their special meeting on August 6, 2013.


Donald G. Ridenhour, Secretary