

RESOLUTION NO: 2016-1

**RESOLUTION AUTHORIZING CHIRIACO SUMMIT WATER DISTRICT
TO ADOPT A TIERED RATE SYSTEM**

WHEREAS, the Chiriaco Summit Water District (the District) has the authority to construct, operate, and maintain its water facilities; and

WHEREAS, the District has the authority to set rates for water service and collect such charges, as defined in the Article 9, sections 1 to 16 of its code of Rules and Regulations, as adopted on July 1, 2003; and

WHEREAS, the District undertook a water rate analysis to determine whether the current flat rate system adequately provided for the maintenance, operation, and rehabilitation of its water system; and

WHEREAS, the District had enough water use historical data to properly calculate the cost of providing the service, and develop a tiered system; and

WHEREAS, the District determined the current rate structure will not support the current and future costs of the system, nor encourage conservation; and

WHEREAS, the District is required to collect enough revenue to cover the costs of operating its water system, to be able to safely and reliably provide water to the residents and businesses of its service area, and to cover all the operating expenses, debt servicing, capital improvements, and other costs associated with providing safe drinking water for its customers, in accordance with applicable laws; and

WHEREAS, it has been determined that the recommended rates do not exceed the reasonable cost of providing water services, and as such, the proposed rates are not levied for general revenue purposes; and

WHEREAS, the District has determined that a change from flat rate billing to the proposed tiered billing system, will allow the district to cover its costs and also encourage conservation; and

WHEREAS, on December 15, 2014, the District distributed by direct mail and posted in the District's Field office and other conspicuous places, notices of the public meetings to be held, no later than 60 days before the meeting dates, and on February 4 and 5, 2015, the district held public meetings in order to collect public comments about the proposed rate system, as required by Proposition 218 (Cal Const. Art. XIII, § 6); and

WHEREAS, after reviewing the public comments, the District Board's Secretary tabulated and classified the written comments received and reported that there was not a majority protest of the proposed billing system by the owners or authorized agents of the owners of the accounts serviced by the District;

NOW, THEREFORE, IT BE HEREBY RESOLVED by the District, pursuant and subject to all of these facts, as follows:

SECTION 1. SCOPE OF THE NEW RATE SYSTEM – The proposed tiered rate system will not affect the current rates for untreated water sales.

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SECTION 2. ADOPTION OF WATER RATES – The following water rates are hereby adopted and shall hereafter be charged to the customers of the District:

2-1 POLICY

This policy denotes the structure of the district's water rates, for domestic, commercial and construction (untreated) water sales. The cost to operate the district is borne by water customers through water rates and meter charges. The District does not collect taxes, nor uses any taxpayer's money. Normal water charges shall be the same for all users being provided similar services. Miscellaneous services provided by the District beyond a normal level shall be subject to special charges. CSWD water rates are based in the area of service you reside in, and how much water you use.

2-2 FEES FOR CUSTOMER BILLING AND COLLECTIONS - WATER ACCOUNTS

2-2(A) District Water Rates

- (1) Base Charge is a standard monthly charge which varies with the size of meter. The charge is made to recover the cost of customer service and the cost of demands placed upon the system by meters of various sizes.
- [a] All permanent meter installations shall be subject to the following base charges whether or not water is used:

Table 2-2(A)-1 - Consumptive Rates & Monthly Service Charges						
Base Rate (per 100 cu. ft.) (1)	Meter Size					Multiple Unit Charge (2)
	¾"	1"	1 ½"	2"	Larger than 2"	
\$12.37	\$15.00	\$20.00	\$30.00	\$40.00	Contact the district for a quote	\$10

(1) Domestic water use is measured and billed in units of 100 cubic feet (CCF). 1 CCF is equal to 748 gallons.

(2) Applies to apartments, condominiums, mobile home parks and travel trailer parks. When a single meter measures consumption for multiple units, the multiple unit charge shall be multiplied by the total number of units less the number of meters installed.

- [b] The base charge for initial bills and closing bills will be prorated on a daily basis.
- (2) **Commodity Charge** is a unit charge for the amount of water used. This charge is made to recover the direct costs of supplying water which includes water purchases, treatment, pumping, and other costs attributable directly to the amount of water used. In addition to the base charge, all customers shall pay for water used. The unit used for billing is a hundred cubic feet, or CCF. This is a standard unit used to bill water use. As of 09/08/2014, the base rate for 1 CCF is \$12.37. The following commodity charges shall apply:

2-2(A)-2 - Residential & Commercial Tiered Rates Table (a)				
Tier	Water use	Adjusted base rate	Cost per CCF	Subsidized cost (residential customers) (3)
Tier 1 : Efficient	Up to 10 CCF	90% of the base rate	\$11.13	\$2.22
Tier 2 : Inefficient	Up to 20 CCF	Base rate	\$12.37	\$2.47
Tier 3 : Excessive	Up to 30 CCF	Base Rate x 1.2	\$14.84	\$2.96
Tier 4 : Wasteful	More than 30 CCF	Base Rate x 1.4	\$17.32	\$3.46

(3) CSWD's subsidizes the water rates by 80% because the Chiriaco Summit community is a qualified low-income, disadvantaged community, according to an independent report by RCAC. This subsidy is subject to change if the community's status changes.

(a) Numbers are rounded here to two decimals.

The district bills customers on a monthly basis.

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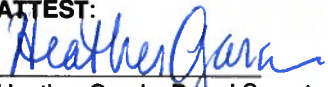
SECTION 3. EFFECTIVE DATE – It was decided by the District Board of Directors, that this Resolution take effect starting on March 1st, 2015, and the first billing cycle under the new regime to be distributed on March 31, 2015.

PASSED AND ADOPTED BY THE CHIRIACO SUMMIT WATER DISTRICT BOARD OF DIRECTORS,

this 15th day of July, 2016


Margit F. Chiriaco-Rusche
President, Board of Directors 

ATTEST:


Heather Garcia, Board Secretary