

# CHIRIACO SUMMIT WATER DISTRICT

## RESOLUTION NO: 2019-1

### RESOLUTION AUTHORIZING CHIRIACO SUMMIT WATER DISTRICT TO PROCEED WITH THE IMPLEMENTATION OF A UNIFORM RATE STRUCTURE ASSOCIATED WITH THE PROVISION OF WATER SERVICE

**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 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**, the District determined the current rate structure will not support the current and future costs of the system, and may also be potentially out of compliance with Prop 218 guidelines; and

**WHEREAS**, the District undertook a water rate study completed by Rural Community Assistance Corporation (RCAC) to modify the current tiered rate system implemented in 2016; and

**WHEREAS**, the District had enough water use and income and expenses historical data to properly calculate the cost of providing the service, and it was 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's Board of Directors held a special meeting on November 27, 2018, to analyze the Water Rate Study Report provided by RCAC, and a second special meeting on December 11, 2018, to review the information and approve the start of the Prop 218 process to propose a rate change based on the study's findings; and

**WHEREAS**, on December 14, 2018, the District distributed by direct mail and posted in the District's Field office and other conspicuous places, notices of the public meeting to be held on February 19<sup>th</sup>, 2019, and on February 19<sup>th</sup>, 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 D, § 6).

**WHEREAS**, the Information included in the Public Notice includes proposed new rates, when the new rates would take effect, how property owners or water customers can protest the rate increase, and what the time frame for protests is, and when the public meeting for protest is scheduled; and

**WHEREAS**, after reviewing the public comments, the District Board's Secretary 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;

## CHIRIACO SUMMIT WATER 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.

**SECTION 2. ADOPTION OF WATER RATES** – CSWD water rates are based on meter size and how much water is used. The proposed rate structure for water services has two components: (1) a **fixed monthly base charge**; and (2) a **variable (water consumption-based) usage rate**. The first component is a fixed amount calculated to recover the CSD's fixed costs of operating and maintaining the water system and is based on the potential volume of water a customer could draw, as determined by the size of their water meter. The variable component of the rate structure is based on water consumption. The variable usage rate will be charged from the first cubic foot of water purchased.

Water rates will increase over a five-year period instead of a large one-time adjustment.

The following water rates are hereby adopted and shall hereafter be charged to the customers of the District:

Meter Size	Proposed Base Charge for Year 1 (2019)	Proposed Base Charge for Year 2 (2020)	Proposed Base Charge for Year 3 (2021)	Proposed Base Charge for Year 4 (2022)	Proposed Base Charge for Year 5 (2023)
¾" (0.750in)	\$23.96	\$24.92	\$25.92	\$26.96	\$28.03
2"	\$127.81	\$132.92	\$138.24	\$143.77	\$149.52
Usage Rate per 100 CF	\$14.00	\$14.56	\$15.14	\$15.75	\$16.38

The above Base Charges and Usage Rates would go in effect with the first billing after the rates are approved. The rates will further increase on January 1, 2020, 2021, 2022, and 2023.

The base charge for initial bills and closing bills will be prorated on a daily basis.

**SECTION 3. EFFECTIVE DATE** – It was decided by the District Board of Directors, that this Resolution takes effect immediately, and the first billing cycle under the new regime to be distributed on March 31, 2019.

**PASSED AND ADOPTED BY THE CHIRIACO SUMMIT WATER DISTRICT BOARD OF DIRECTORS,**  
this 12th day of March, 2019

Ayes: 5

Noes: 0

Absent: 0

Abstentions: 0

  
Margie F. Chiriaco-Rusche  
President, Board of Directors

**ATTEST:**

  
Heather Garcia, Board Secretary