

Resolution No 1094

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CARPINTERIA VALLEY WATER DISTRICT ADOPTING RATES AND CHARGES FOR WATER SERVICE

WHEREAS, the Board of Directors ("Board") of the Carpinteria Valley Water District ("District") considered its estimated necessary costs for providing water service to its customers and the revenue sources available to cover those costs at a noticed public hearing on June 30, 2021; and

WHEREAS, data was made available to the public by the District and presented at that public hearing indicating the estimated necessary costs for providing water service and the available revenue sources; and

WHEREAS, the District provided written notice as required by law of that public hearing including notice of the projected changes and increases in District rates and charges and the availability of data supporting such increase; and

WHEREAS, the Board thoroughly considered the testimony and evidence received from its staff and the public in both oral and written form; and

WHEREAS, after due deliberation and consideration of all of the record before it, the Board found it necessary and in the best interest of the District and its customers to change and increase certain rates and charges for water service; and

WHEREAS, the Board found and determined that the rates and charges for water service as set forth by this Resolution do not exceed the estimated necessary cost of providing service for which the rates and charges are being made.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Board of Directors of the Carpinteria Valley Water District as follows:

Rates shall be adjusted as described below however implementation of these changes shall not be implemented until July 1, 2021 or if the Board determines at a time beyond this date.

1. Type of Service: In establishing water rates and charges, account shall be taken of type of service, size of service and surcharge for pumping. For rate purposes, water service shall be divided into two types as follows:
 - a. Type 1 service shall apply to services supplied for municipal and industrial use. Type 1 service shall be further divided into subtypes as follows:
 - (i) "Domestic Residential Service A" shall apply to all services supplied exclusively for domestic residential use excluding multi-

family (two or more) residential units served by a single District master meter. “Domestic Residential Service B” shall apply to all services supplied exclusively for domestic multi-family (two or more) residential use served by a single District master meter.

- (ii) “Commercial Service A, Industrial and Public Authority Service” shall apply to services supplied in whole or in part for commercial, industrial or public authority use with the exception of Commercial Service B and C facilities identified below.
 - (iii) “Commercial Service B” shall apply to temporary and semi-permanent residential activities including but not limited to adult living facilities, assisted living facilities, bed and breakfast facilities, boarding and rooming houses, dormitories, extended care facilities, foster care facilities, guest ranches, group homes, hostels, hotels, motels, orphanages, residential care facilities, resort hotels, transitional care facilities.
 - (iv) “Commercial Service C” shall apply to all commercial facilities that include individual residential dwelling units as defined by the District in its Rules and Regulations.
 - (v) “Private Fire Service” shall apply to any water service entity designated as a closed water distribution system or network with the sole purpose or function of fire suppression.
 - (vi) “Temporary Meter” service shall apply to services to circuses, bazaars, fairs, temporary restaurants, construction works, or temporary emergency services for residents, etc., of a temporary nature.
- b. Type 2 service shall apply to all services qualifying as “Agriculture” services as defined below:
- (i) “Agriculture” service is defined as the use of water for agricultural purposes, delivered through a 1 ½” (or larger) meter to irrigate not less than 2 acres for commercial agricultural purposes; except that ¾”, 1”, and 1 ½” meter services, existing and serving 2 acres or more of commercial agriculture, shall be considered Agriculture services. Use of water in connection with the operations of a chicken ranch or for stock watering, or any other similar uses shall be considered an Agriculture use, if the service meets requirements respecting the size of the meter and the area served. All services that do not qualify as Agriculture service shall be considered Type 1 service.
 - (ii) If a service is located on less than 2 acres, a customer may request the District’s General Manager to review the location and size of service in order to determine if such service is “Municipal and Industrial” or “Agriculture”. The General Manager’s determination shall be final, unless an appeal by

the customer within thirty (30) days of receipt of written notice of such determination is made to the District's Board, in which case the determination of the Board made at a public meeting with notice to the customer shall be final.

2. Rates and Charges for Water Service: Monthly Service Charges, Dwelling Unit Equivalency Charges and Residential Equivalency Charges, and Metered Water Rates are hereby established and will become effective at the implementation date identified above:
 - a. Water rates. With the exception of the conditions outlined in section (b) below, the District shall impose water rates for each unit of water used by a customer in accordance with the schedule set forth in Table 1 and with the procedures set out in subsections (i) through (vi) of this section (a).

TABLE 1

Water Rates (unit cost)			
<i>1 unit = 100 cubic feet (HCF) or 748 gallons</i>	Base \$/HCF	Pressure Zone I \$/HCF	Pressure Zone II \$/HCF
Residential			
Tier 1 / Base	\$3.67	\$3.87	\$4.16
Tier 2 / Peak	\$4.39	\$4.59	\$4.88
Tier 3	\$5.32	\$5.52	\$5.81
Commercial, Industrial & Public Authority			
Base	\$3.76	\$3.96	\$4.25
Peak	\$5.12	\$5.32	\$5.61
Agricultural Irrigation			
Uniform	\$1.95	\$2.15	\$2.44
Residential Equivalency Fee	\$18.10	per month	

¹ Pressure Zone I = Connections served by Gobernador Reservoir

² Pressure Zone II = Connections served by Shepard Mesa Tank

- (i) The amount billed for the actual amount of water used by an account will be billed in accordance with the rates set out in Table 1. For “**Domestic Residential Service A**”, water charges shall adhere to the tiers in Table 1. The Tier 1 limit is 6 HCF based on efficient indoor use for a three-person household. The Tier 2 limit is 10 HCF based on average summer use (Jun. to Sep.) for the Residential class. Tier 3 pricing applies to all consumption in excess of Tier 2 use.

For example, charges for a residential account that uses 36 HCF in one month would be:

Tier 1: 6 HCF x \$3.67 = \$22.02

Tier 2:	10 HCF x \$4.39 =	\$43.90
Tier 3:	20 HCF x \$5.32 =	\$106.40
TOTAL	36 HCF	\$172.32

- (ii) For all “**Domestic Residential Service B**” accounts consumption shall be established based on the number of dwelling units or hotel/motel rooms served by a master meter. This is done to equitably distribute the costs of water for all customers.

For example, if a master- meter account has 4 residential units and consumes 24 HCF a month the consumption per unit would be $24 \text{ HCF} \div 4 \text{ residential units} = 6 \text{ HCF per residential unit}$.

- (iii) For all “**Commercial Service A**” and “**Commercial Service B**” accounts, water charges shall be determined by establishing a Base tier using the 5-year average water consumption for the months of December-March. This consumption amount will establish the Base Tier amount charged at the rate specified in Table 1. All water consumed in excess of the Base tier shall be charged at the Peak tier rate. The minimum Base tier amount of water shall be 6 HCF per month per account. the 5-year December to March average shall be established based on the number of dwelling units or hotel/motel rooms served by a master meter. This is done to equitably distribute the costs of water in the same 2-tier structure for all customers. For example, if a master- meter account has 4 residential units and consumes an average of 24 HCF a month during the December to March period, the Base tier would be $24 \text{ HCF} \div 4 \text{ residential units} = 6 \text{ HCF per residential unit}$. The minimum Base amount of water per dwelling unit or room shall be 6 HCF per month.

For example, a commercial account with a 5-year December to March average water consumption of 54 HCF uses 124 HCF in July. The total water charge for this account for July water use would be as follows.

Base:	54 HCF x \$3.76 =	\$203.04
Peak:	70 HCF x \$5.12 =	\$358.40
TOTAL	124 HCF	\$561.44

- (iv) For all “**Commercial Service C**” accounts the 5-year December to March average shall be established based on the number of dwelling units or hotel/motel rooms served by a master meter. This is done to equitably distribute the costs of water for all customers.

For example, if a master- meter account has 4 residential units and consumes an average of 24 HCF a month during the December to March period, the Base tier would be $24 \text{ HCF} \div 4 \text{ residential units} = 6 \text{ HCF per residential unit}$. The minimum Base amount of water per dwelling unit or room shall be 6 HCF per month.

- (v) Misuse of private fire services – for direct potable consumption, for example - shall result in charges for water, service fees and / or discontinuance of service.
 - (vi) For all **“Temporary Meter”** accounts, the rate for water consumption shall be the sum of the “Type 1” commercial rate (subject to pumping surcharges) and the Capital Improvement Program rate (see sections f and g below). For example, a temporary meter registers the equivalent of 40 HCF consumption for one month of use. The rate shall be $40 \text{ HCF} \times \$4.19 + 40 \text{ HCF} \times \$3.70 = \$315.60$ or \$7.89 per HCF consumed. The General Manager shall retain the right to modify these charges.
 - (vii) New and existing accounts lacking sufficient water use history to establish Base tier volumes shall be reviewed by the District General Manager to determine an appropriate value.
- b. Residential Equivalency Charge (REQ). The District shall impose a REQ Charge on “Agriculture” accounts for each residential dwelling served by District water through the Agriculture account. See Table 1 for the REQ charge. .
- c. Monthly Basic and State Water Project Service. The District shall impose a Monthly Service Charge in accordance with the schedule set forth in Table 2 for all Type 1 and Type 2 services regardless of the amount of water used by a customer during any given month or fraction thereof.

TABLE 2

Monthly Basic and State Water Project Charges			
Meter Size	Basic	SWP	Total
3/4"	\$10.11	\$35.37	\$45.48
1"	\$14.23	\$58.94	\$73.17
1 1/2"	\$24.53	\$117.88	\$142.41
2"	\$36.89	\$188.60	\$225.49
3"	\$76.03	\$412.56	\$488.59
4"	\$133.70	\$742.62	\$876.32
6"	\$271.71	\$1,532.38	\$1,804.09

¹ SWP = State Water Project

- d. Monthly Capital Improvement Program Service Charge ("CIP Charge"). The District shall impose a monthly CIP Charge in accordance with the schedule set forth in Table 3 and the procedures set out in subsections (i) through (iv) of this section (d).

TABLE 3

Monthly Capital Improvement Program (CIP) Charge (non-Agricultural)			
Rate	Rate	\$3.70	per HCF
Minimum	Minimum	\$22.20	6 HCF
Maximum	Maximum	\$462.50	125 HCF

- (i) The CIP Charge for all "Domestic Residential Service A" and "Commercial Service A and B, Industrial and Public Authority" accounts shall be based on the 5-year average monthly water consumption for each specific account. This volume shall be multiplied by an annually determined CIP rate. A minimum CIP charge based on 6 HCF per month and a maximum charge based upon 125 HCF per month shall be applied.
- (ii) "Domestic Residential Service B" accounts and "Commercial Service C" accounts shall be subject to a CIP Charge for each additional dwelling unit or hotel/motel room greater than one served by the master metered account. This charge shall be the greater of the minimum monthly CIP charge of 6 HCF, or a value determined by dividing the 5-year average monthly water consumption for the entire account by the number of dwelling units or hotel/motel room served by the master meter.
- For example, if an account with 4 dwelling units has a 5-year monthly average water consumption of 20 HCF, the per-unit average would be 5 HCF. In this example, the minimum CIP charge of 6 HCF would be applied to the account to determine the CIP rate.
- (iii) Notwithstanding section a(iii) above, no CIP charge shall be levied against "Private Fire Service" accounts.
- (iv) "Temporary Meter" accounts shall pay the CIP service charge based on monthly water consumption, subject to the minimum and maximum describe in section d(i) above.
- (v) Type 2 "Agriculture" accounts shall not be subject to a CIP Charge.
- (vi) New and existing accounts lacking sufficient water use history to establish a CIP Charge shall be reviewed by District staff to determine an appropriate rate. The proposed CIP Charge shall

be the greater of the accumulated monthly average or an average rate derived for similar accounts based on customer class.

e. Dwelling Unit Equivalency Charge (DEQ). The District shall impose a DEQ Charge on all “Domestic Residential Service B” customers as follows:

- (i) The DEQ Charge is an amount shown on the bill sent to “Domestic Residential Service B” and “Commercial Service C” accounts that is necessary to make the total State Water Project component of the Monthly Service Charge, when divided by the number of dwelling units, equivalent to the State Water Project component of the Monthly Service Charge applied to all “Domestic Residential Service A” accounts with a ¾” meter.
- (ii) The DEQ is the difference between the State Water Project (SWP) component of the Monthly Service Charge that a “Domestic Residential Service A” account holder with a ¾” meter would pay and the SWP component charges associated with a given “Domestic Residential Service B” (master meter) account divided by the number of residential accounts.

For example, if a “Domestic Residential Service B” or “Commercial Service C” account with 4 residential dwellings has a 1 ½” water meter, the SWP charge would be allocated equally between the four dwelling units. The DEQ for each dwelling unit would then be the difference between this amount and the SWP component charge for the ¾” meter account.

For example, the SWP charge for a 1 ½” meter is \$117.88 or \$29.47 per dwelling unit. The SWP charge for a ¾” meter is \$35.37. Therefore, the DEQ charge is \$35.37-29.47 = \$5.90

In this example, the DEQ portion of the monthly bill is the total DEQ charges for all residential units (\$5.90 x 4 residential units) or \$23.60. In this example, the State Water Project (SWP) charge is \$117.88 (see Table 2).

Therefore, the combined SWP/ DEQ charge is \$117.88 + \$23.6 = \$141.48. This charge will then appear on the Monthly Service Charge portion of the bill for this account as follows:

Basic:	\$24.53	
SWP/DEQ:	\$141.48	(\$23.60 SWP + \$117.88 DEQ)
CIP:	\$88.80	(\$22.20 x 4 dwelling units)
TOTAL	\$254.81	(\$63.70 x 4 dwelling units)

f. The Agricultural Operation and Maintenance (Ag O&M) charge. The

District shall impose a monthly service charge for agricultural accounts in accordance with the schedule in Table 4. This charge funds certain District operations and maintenance costs that are collected by other customer classes through the Capital Improvement Program charge.

TABLE 4

Monthly O&M Charge	
Meter Size	
3/4"	\$28.82
1"	\$48.02
1 1/2"	\$96.04
2"	\$153.66
3"	\$336.13
4"	\$605.02
6"	\$1,248.45

- g. **Monthly Service Charges for Private Fire Service Accounts.** The District shall impose a monthly service charge for fire accounts in accordance with the schedule in Table 5.

TABLE 5

Monthly Fire Service Charges			
Fireline Size	Basic	SWP	Total
2"	\$8.56	\$35.36	\$43.92
3"	\$17.36	\$79.57	\$96.93
4"	\$32.55	\$141.45	\$174.00
6"	\$87.05	\$318.27	\$405.32
8"	\$181.06	\$565.80	\$746.86
10"	\$322.47	\$884.07	\$1,206.54

¹ SWP = State Water Project

- h. **Payment of the Monthly Charges.** Payment of the monthly Basic, SW and CIP charges does not entitle the customer to any quantity of water. All water used by a customer will be supplied to a customer at the rate set forth in sections "a" or "b" above.
3. **Appeals of Base tier and CIP calculations.** In the event that a customer or account holder disagrees with the District derived values for the Base tier or Tier 1 (section 2a(iii)) and CIP (section 2d) amounts of water, said customer may petition the General Manager to solely at his discretion assign a different methodology for calculation of the Base tier and/or CIP amounts of water. Any customer appealing District derived values shall have a sufficient water use history of 6 to 8 months, including values for the December through March period.
4. **Compliance with Article XIII D of the California Constitution.** The Governing Board

has determined that the imposition of the District's rates and charges for water service complies with the requirements of Article XIII D section 6

(b) of the California Constitution. Furthermore, and in accordance with the requirements of Section 6 (a) and with District Resolution No. 919, the District

(i) provided 45 days prior written notice of the public hearing at which the Board considered the proposed changes and increases in the District's rates and charges for water service; (ii) considered all written protests presented to the District Board at or prior to the close of the public hearing; and (iii) following the conclusion of the public hearing, the District's General Manager counted the total number of written protest received by the District and informed the District Board that no majority protest existed.

5. Procedural Exemption for Water Rates and Charges: Pursuant to Section 66018 (d) of the Government Code, the rates and charges for water service as established in this Resolution are exempt from the notice and public hearing requirements of Section 66018 of the Government Code. It is further found and determined that these rates and charges are not the type of fees and charges as set forth in Section 66016 (d) of the Government Code and therefore are not subject to the procedural requirements of Section 66016 of the Government Code.
6. Effective Date of Resolution: This Resolution shall be in full force and effect upon adoption and shall remain in effect until changed by the District Board.
7. Amendment to the District's Rules and Regulations; Conflicts; Validity: The terms and provisions of this Resolution shall become a part of the District Rules and Regulations. To the extent that the terms and provisions of this Resolution are inconsistent or in conflict with the terms and provisions of any prior District ordinance, resolution, or rule and regulations, the terms of this Resolution shall prevail, and inconsistent and conflicting provisions of prior ordinances, resolutions and rules and regulations shall be suspended during the effective period of this Resolution. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, sentence, clauses or phrases by unconstitutional or invalid.
8. Exception from the Requirements of CEQA: Section 21080 (b) (8) of the Public Resources Code is contained in and is a part of the California Environmental Quality Act (CEQA). Section 21080 (b) (8) of said Act provides that CEQA does not apply to the establishment, modification, structuring, restructuring or approval of rates, tolls, fares or other charges by a public agency which are for the purpose of (1) meeting operating expense, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial reserve needs or requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas.

It is hereby found and determined that none of the rates and charges fixed and established by this Resolution are for any purposes other than the purposes set forth in Section 21080

(b) (8) and are therefore, pursuant to said Section, exempt from the requirements of CEQA. This Resolution constitutes the written findings of the record of the proceedings claiming the aforesaid exemption. The District Secretary is hereby authorized and directed to prepare and file a Notice of Exemption based upon Public Resources Code section 21080 (b) (8).

PASSED AND ADOPTED by the Governing Board of the Carpinteria Valley Water District on the 30th day of June, 2021 by the following vote:

AYES: Holcombe, Johnson, Roberts, Stendell & Van Wingerden

NAYES: none

ABSENT: none


ABSTAIN: none

APPROVED:

DocuSigned by:

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Matthew Roberts, Board President

ATTEST:

DocuSigned by:

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Robert Mc Donald, Secretary