

## RESOLUTION 5-14

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT SETTING WATER RATES

WHEREAS, Water Code section 31007 authorizes the board of directors of a county water district to fix rates and charges in an amount sufficient to (a) pay the operating expenses of the district, (b) provide for repairs and depreciation of works owned or operated by the district and (c) pay the principal and interest on any bonded debt, and

WHEREAS, the Board of Directors has adopted Resolution 13-09, as amended, setting forth the rules and regulations for water service within the District; and

WHEREAS, Resolution 13-09, as amended, sets forth general policies governing rate setting within the District; and

WHEREAS, the Ad-hoc Water Rate Committee of the Board of Directors reviewed current water rates and district costs intended to be funded by revenues from water rates and has provided a recommendation to the Board of Directors in regards to revising water rates; and

WHEREAS, the rates contained herein are consistent with the policies governing rate setting set forth in Resolution 13-09, as amended; and

WHEREAS, pursuant to Article 13D, Section 6, of the California Constitution, on or prior to February 28, 2014, the District mailed the Notice of Public Hearing concerning the proposed increased rates and charges for water to the record owners of all parcels receiving water, or potentially capable of receiving water, directly from the District and such public hearing was only held on April 16, 2014, as noticed, by the Board of Directors; and

WHEREAS, the Notice of Public Hearing complies with the requirements of Article XIII B, Section 6 of the California Constitution and Section 53755 of the Government Code.

NOW, THEREFORE, the Board of Directors of the Tehachapi-Cummings County Water District resolves as follows:

Section 1. Recitals. The foregoing recitals are true and correct and the Board of Directors so finds and determines.

Section 2. Public Hearing. On April 16, 2014, the Board of Directors held a duly noticed public hearing regarding the proposed increase in the rates and charges for water service and considered all protests against the proposed increase in the rates and charges. There were twenty-seven (27) written protests received by the District Secretary prior to the

Section 3. Pressure Zones. Three pressure zones are hereby established in the District as follows:

1. Area served by pipeline prior to reaching Pump Plant 4 (generally Cummings Basin).
2. Area served by pipeline between Pump Plant 4 and Pump Plant 5 (generally Brite Basin and Tehachapi Basin). Pressure zone 2 is the Jacobsen Reservoir level.
3. Area served by pipeline beyond Pump Plant 5 (generally the Oak Creek area).

Section 4. Agricultural Water. The rates for agricultural water, other than as provided in Section 8 below, are:

Rates per acre foot of water - Ag	Pressure Zone 1	Pressure Zone 2	Pressure Zone 3
Non-potable water	\$ 363	\$ 456	\$ 676
Recharge surcharge (if applicable)	\$ 15	\$ 15	\$ 15
Spreading loss surcharge (if applicable)	\$ 22	\$ 27	\$ 27

The recharge surcharge is imposed to recoup maintenance and operation costs of recharge facilities and amortized capital costs of constructing recharge facilities in Tehachapi and Cummings Basins. The spreading loss surcharge is imposed pursuant to Section 1 of Part B of Resolution 13-09, as amended, to recover the cost of imported water lost on account of evaporation, phreatophyte consumption and any other losses incurred in the transportation and spreading of recharge water, the loss rate which the Board hereby finds and determines to be 6%. Thus, the spreading loss surcharge is equal to 6% of the applicable base rate. These surcharges are applicable only to customers receiving water for groundwater banking (artificial recharge).

Section 5. Term M&I Water. The rates for water delivered pursuant to a Term M&I Agreement, other than as provided in Section 8 below, are:

Rates per acre foot of water - Term M&I	Pressure Zone 1 (direct delivery)	Pressure Zone 1 (artificial recharge)	Pressure Zone 2	Pressure Zone 3
Non-potable water	\$ 363	\$ 363	\$ 456	\$ 676
Recharge surcharge	\$ 15	\$ 15	\$ 15	\$ 15
Spreading loss surcharge	\$ 22	\$ 22	\$ 27	\$ 27

The recharge surcharge is imposed to recoup maintenance and operation costs of recharge facilities and amortized capital costs of constructing recharge facilities in Tehachapi and Cummings Basin. The spreading loss surcharge is imposed pursuant to Section 1 of Part B of Resolution 13-09, as amended, to recover the cost of imported water lost on account of evaporation, phreatophyte consumption and any other losses incurred in the transportation and spreading of recharge water, the loss rate which the Board hereby finds and determines to be 6%. Thus, the spreading loss surcharge is equal to 6% of the applicable base rate. These surcharges



are applicable only to customers receiving water for groundwater banking (artificial recharge). Customers in the Tehachapi Basin receiving water for artificial recharge will be charged for 106% of the water posted to their banked water account in-lieu of the spreading loss surcharge. The capital recovery surcharge is imposed to recoup the \$250,000 cost-share of the capital cost for the Cummings Valley Loop recharge lateral constructed in 2011. The capital recovery surcharge will cease after the \$250,000 cost-share, plus accrued interest at the rate of 4% per annum, has been collected.

Section 6. Normal M&I Water. The rate for normal M&I water (i.e., M&I water not delivered pursuant to a Term M&I Agreement), other than as provided in Section 8 below, is \$1,385 per acre foot.

Section 7. Monthly Administrative Charge. Each customer shall pay an administrative charge of \$4.50 per month regardless of how much water is delivered, to partially recoup District clerical and administrative expenses to maintain and bill customers' accounts.

Section 8. Special Rates. The above base rates do not apply to:

- (a) Water for ultimate use outside the District's boundaries, rates for which shall be determined by the Board of Directors when and if the Board approves such use.
- (b) Water used in violation of the District's Rules and Regulations, in which event the rate specified in Section 4 of Part J of Resolution 13-09, as amended, shall apply.

Section 9. California Environmental Quality Act. The Board of Directors finds, determines and declares that the rates for water authorized hereby are to recover the actual costs of operating expenses, purchasing and leasing supplies, equipment and materials, meeting financial reserve needs and requirements and constructing capital projects necessary to maintain service. Therefore, the District's setting of rates for water pursuant to this resolution is not a "project" requiring review under the California Environmental Quality Act (CEQA), pursuant to Public Resources Code section 20180(b)(8) and section 15273(c) of the State CEQA Guidelines (14 Cal. Code of Regs., § 15273(c)).

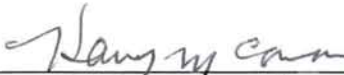
Section 10. Compliance with Proposition 218. The Board of Directors finds, determines and declares that the rates for water authorized herein comply with the requirements of Article 13D, Section 6, of the California Constitution (Proposition 218) in that:

- (a) Revenues derived from water rates and charges do not exceed the funds required to provide the service, including the accumulation of prudent reserves.
- (b) Revenues derived from water rates and charges will not be used for any purpose other than to provide water services to residents, property owners and customers of the District.

- (c) The amount of the water rates and charges does not exceed the proportional cost of providing the service to any individual customer, lot or parcel.
- (d) Water rates and charges will be levied only on properties for which water service has been requested, therefore, the service is deemed to be actually used by, or immediately available to, the customer requesting the water.
- (e) The water service provided is not a general governmental service and is not available to the public at large in substantially the same manner as it is to persons requesting water service.

Section 11. Effective Date. This Resolution is effective for billings made after May 1, 2014. This Resolution shall be posted in at least three public places in the District for at least thirty (30) days.

ADOPTED AND APPROVED this 16<sup>th</sup> day of April, 2014

  
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Harry M. Cowan, President

Attest:

  
\_\_\_\_\_  
Lori Bunn, Secretary

**SECRETARY'S CERTIFICATE**

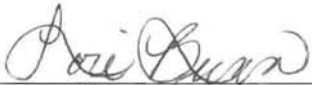
I, LORI BUNN, do hereby certify the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District held on the 16<sup>th</sup> day of April 2014, by the following vote:

AYES: Cowan, Hadley, Hall, Prel and Schultz

NOES: None

ABSENT: None

ABSTAIN: None

ATTEST:   
Lori Bunn, Secretary