

ORDINANCE No. 2019-1

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE MUIR BEACH COMMUNITY SERVICES DISTRICT ESTABLISHING A SCHEDULE OF RATE CHARGES FOR WATER SERVICE AND CAPITAL IMPROVEMENTS

The Board of Directors of the Muir Beach Community Services District does ordain as follows:

Section 1 Repeal of Existing Ordinance

Ordinance 2010-2 establishing the existing schedule of rate charges for water service and capital improvement and maintenance charges is repealed after the effective date of this ordinance.

Section 2 Purpose

The purpose of this ordinance is: (1) to adopt a revised schedule of rate charges for water service provided to customers of the Muir Beach Community Services District ("District") that conform to the requirements of Proposition 218; (2) to make sure distribution of the District's water expenses are properly and fairly allocated among its customers based on their proportional usage; (3) to increase water rates to customers in order to comply with California State Law which states that Water Districts must be fiscally responsible and financially solvent; (4) adopt a Meter charge based on a schedule of phased in 5-year infrastructure projects to fund specific capital improvements for the District's water supply equipment and facilities; (5) to implement a water conservation discount schedule based on customers usage to encourage and promote maximum conservation as required by the District's State issued 'Water Diversion Permit'; (6) to incorporate a cost of living adjustment to protect against inflation for the duration of the ordinance or a maximum of 5 years; and (7) to adopt a bi-monthly meter reading and billing schedule.

Section 3 Findings of Necessity

The Board of Directors finds as follows:

1. Water is a finite and precious resource.
2. California Constitution Article X, section 2 states that the waste and unreasonable use of water shall be prevented. This constitutional mandate shows the statewide responsibility to reasonably conserve and manage water.
3. The State Water Resources Control Board authorizes the District's use of water under Permit 21085 ("Water Diversion Permit") subject to the limitation, among other things, that the District implement water conservation measures.
4. California Constitution Article XIII D, section 6 established procedural requirements for imposing new, or increasing of existing, property related fees and charges. Water service fees have been determined to be property related fees within the meaning of Article XIII D.
5. Revenue generated from the capital improvements charges, as set forth in Section 4 of this Ordinance, do not exceed the cost of providing such improvements to the District's water supply equipment and facilities.
6. Revenues generated from the water service fee charges, as set forth in Section 5 of this Ordinance, do not exceed the cost of producing, distributing, managing, maintaining, and providing such water services.
7. The Muir Beach Community Service District Water Service Cost Study – May 2019 determined the necessity for the District to increase water rates and revise its rate structure.

Section 4 Meter Charges

A. A Meter Charge based on a 5-year Capital Improvement Plan (including a Lower Water Tank Replacement Reserve and a Pipe and Equipment Reserve), that utilizes and conforms to the American Water Works Association (AWWA – M1) standards for meter capacity rates, will be implemented.

B. The Meter Charge will be set at 1) \$70.83 per meter for all meter sizes of 5/8" up to, and including a 1" meter per bi-monthly billing period, and 2) \$354.15 per meter for a 1.5" meter size per bi-monthly billing period, and 3) all other sizes larger than 1.5" will conform to the AWWA M1 fixed charge meter ratios for setting the charge per meter using 5/8" as the base rate in determining the bi-monthly charge.

Section 5 Adoption of Schedule of Rate Charges for Water Service

A. A Meter Reading fee will be set at \$7.90 per bi-monthly billing period per meter of any size. This fee includes the meter reading costs and customer billing costs per meter.

B. A Volumetric charge for each gallon consumed will be charged based on current operating expenses divided by average annual total water usage. All customers will be charged the same \$.02 per gallon (\$2.00 per 100 gallons) for all gallons used and consumed.

All water consumers using District water shall be subject to bi-monthly charges for water as follows:

Type	Gallons	Charge	
<i>Capacity</i>	N/A	\$ 7.90	Meter Reading
	N/A	\$ 70.83	Meter Charge (per 5/8"-1" meter size)
	N/A	\$ 354.15	Meter Charge (per 1.5" meter size, if applicable)
<i>Volumetric</i>	All gallons	\$ 2.00	per 100 gallons used

Note

1. Meter Charges are based on projected capital improvement schedules.
2. Volumetric Charges are calculated per gallon; rate is shown per 100 gallons for clarity only.

Section 6 Adoption of Conservation Discounts

The revised rate schedule will continue to strongly encourage conservation practices. Customers who use less than 4,500 gallons per bi-monthly billing period will receive a conservation discount of 50% (which is equal to \$1.00 per 100 gallons); customers who use 4,501 to 10,000 gallons per bi-monthly billing period will receive a conservation discount of 43% (which is equal to paying \$1.14 per 100 gallons); and customers who use 10,001 to 30,000 gallons per bi-monthly billing period will receive a conservation discount 30% (which is equal to paying \$1.40 per 100 gallons). Those customers who use more than 30,001 gallons per bi-monthly billing period will receive no conservation discount (which will be equal to paying the full \$2.00 per 100 gallons).

District Bi-monthly Conservation Discounts:

Gallons	Discount%	
0 to 4,500	50%	for all usage
4,501 to 10,000	43%	applies to all usage
10,001 to 30,000	30%	applies to all usage
30,001+	0%	applies to all usage

Section 7 Annual Water Rate Consumer Price (CPI) Increase

For as long as the current Water Rate Ordinance 2019-1 is in effect, there will be an annual increase for inflation applied to all charges commensurate with the annual percentage increase to the San Francisco-Oakland-San Jose Price Index for All Urban Consumers ("CPI") for twelve months preceding April of each year and to go into effect on July 16 for each subsequent year until the final increase in 2024.

Section 8 Effective Date

Upon approval by the Board of Directors, this ordinance shall be effective as of July 16, 2019 and be applicable to meter readings as of that date.

Section 9 Severability

If any section, subsection, sentence, clause, phrase, portion or part of this ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such section shall not affect the validity of the remaining portions of this ordinance. The Board of Directors hereby declares that it would have passed this ordinance, any section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, clauses, or phrases may be declared invalid or unconstitutional.

PASSED AND ADOPTED this 24th day of July, 2019 by the following vote of the Board of Directors.

Ayes: Hills, Shaffer, Hamilton-Rivers, Friedman, Lambert

Noes: None

Absent:



Board President

Attest:



District Manager