

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10-A

Meeting Date: June 14, 2011

Submitted By: Kelly Cadiente
Prepared By: Carl Niizawa

Presented By: Kelly Cadiente

Agenda Title: Consider Adoption of Ordinance No. 54 Approving New District Rates, Fees & Charges for Marina Water and Wastewater

Detailed Description: The Board is requested to consider adoption of Ordinance No. 54 to approve new water and wastewater rates, fees and charges for the Marina service area. The new rates and fees would be effective July 1, 2011.

The process for any rate change for Central Marina and Ord Community includes a public hearing to receive input from the rate payers before any change in rates is adopted. Proposition 218 notices of public hearing were mailed to all customers on April 25, 2011. The public hearing for the Marina service area is scheduled for 7:00 PM, Tuesday, June 14, 2011 at 11 Reservation Road, Marina, CA.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On April 12, 2011 and May 10, 2011, the Board conducted the first and second readings of Ordinance No. 54 respectively approving new District rates, fees, and charges for the Marina water and wastewater service area. The Board also approved the Proposition 218 notice of public hearing and set dates, times, and locations for the public hearings in accordance with Proposition 218 rate increase process for both the Marina and Ord Community service areas.

Board Goals/Objectives: *Strategic Plan Goal No. 4 – To manage the District's finances in the most effective and fiscally responsible manner.*

Financial Impact: Yes No

Funding Source/Recap: All water and sewer revenue accounts for the District.

Material Included for Information/Consideration: Process for Adopting Proposition 218 Rate Increase (Chart); and, Ordinance No. 54.

Staff Recommendation: Conduct Second Reading of Ordinance No. 54 Approving New District Rates, Fees & Charges for Marina Water and Wastewater.

Action Required: Resolution Motion Review
(Roll call vote is required.)

Board Action

____ Resolution No ____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

PROCESS FOR ADOPTING PROP. 218 RATE INCREASE

STEP	ACTION	WHEN
1.	First reading of the proposed rate increase ordinance by the MCWD Board of Directors. Board sets the second reading date and public hearing date for May 10, 2011.	April 12, 2011
2.	For Prop. 218 compliance, mail notice to the record owner (may include tenants if they pay directly to MCWD) of each parcel upon which the fee or charge is proposed to be imposed. The notice must include: <ol style="list-style-type: none"> a. the amount of the fee on that parcel b. the basis for calculating the fee or charge c. the reason for the fee or charge d. the time, date and location of the protest hearing 	At least 45 days before public protest hearing (By April 25, 2011)
3.	Second reading of the proposed rate increase ordinance by the MCWD Board of Directors.	May 10, 2011
4.	District mails notice of public hearing to interested parties who have filed written request within prior year [At least 14 days before meeting.]	14 days before meeting (By May 31, 2011)
5.	District makes available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which charges are levied and the revenue sources anticipated to provide the service, including General Fund revenues. [At least 10 days before meeting.]	10 days before meeting (By June 3, 2011)
6.	Hold Prop. 218 public hearing on protests. If a majority of owners or tenants of identified parcels present written protests, the district may not impose the increased charges.	Not less than 45 days after notice is mailed (June 10, 2011-Ord; June 14, 2011 Marina)
7.	Propose to MCWD and FORA Board for adoption of 2011/2012 operating and capital budgets, and compensation plan for Ord Community services. Adopt ordinance for Central Marina, resolutions for Ord Community.	June 10, 2011-FORA & June 14, 2011-MCWD
8.	Water Consumption, Sewer Collection and Monthly Charges effective after both Board (MCWD and FORA) take action on adopting the budgets.	July 1, 2011

MARINA COAST WATER DISTRICT
ORDINANCE NO. 54

AN ORDINANCE AMENDING SECTIONS 6.08.030, 6.08.060, 6.08.100, AND 6.12.050
OF THE DISTRICT CODE
CHANGING RATES, FEES AND CHARGES FOR WATER AND SEWER SERVICES

Be it ordained by the Board of Directors of
Marina Coast Water District
as follows:

Section 1. Authority. This Ordinance is enacted pursuant to Sections 30000 and following of the California Water Code, and Sections 66013 and 66016 of the California Government Code, and Section 6 of Article XIII D of the California Constitution.

Section 2. Findings.

- A. This ordinance is considered for action by the Board of Directors at a regularly scheduled and noticed meeting. The agenda was posted in accordance with County Water District law with opportunity for public review in advance of the meeting and public comment during consideration of the ordinance by the Board. The District has complied with publication, notice and hearing requirements of Section 6 of Article XIID of the California Constitution and Section 66016 of the California Government Code and Section 31027 of the California Water Code.
- B. The District Code establishes, among other things, water consumption charges, minimum monthly charges, monthly sewer charges, various service charges, and water and sewer capacity charges for the District's customers. Based on the recommendations of the District's General Manager and engineering and financial advisors, and the 2008 5-Year Water and Wastewater Financial Plan and Rate Study adopted by the Board of Directors on May 14, 2008, revised charges are necessary to meet operating and capital expenses for sound operation of the District and to enable the District to provide continued water and sewer service within existing service areas.
- C. The District's legal counsel advises, and the Board finds, that adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.
- D. The rates, fees and charges adopted by this ordinance will not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed and will not exceed the proportional cost of the service attributable to the customers on whom the charges are imposed.
- E. No written requests are on file with the District for mailed notice of meetings on new or increased fees or service charges pursuant to Government Code Section 66016. At least 10 days prior to the meeting, the District made available to the public data indicating the amount of cost, or estimated cost, required to provide

the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service.

- F. The amount of the increase in capacity charges exceeds the percentage increase in the Implicit Price Deflator for State and Local Government Purchases, as determined by the Department of Finance. As a result, the District cannot charge the increased capacity fee to any school district, county office of education, community college district, state agency, or the University of California before first negotiating the increases with those entities in accordance with District Code section 6.16.020 and Government Code section 54999.3. Although these sections also apply to California State University at Monterey Bay, the District has complied with its obligation to negotiate with it and can charge the increased amounts to CSUMB as a result of and as limited by a Settlement Agreement and Mutual Release dated June 1, 2006, by which the District and California State University made an agreement regarding the amount of all future capacity charges. Accordingly, the District can charge the increased capacity charges as limited by the Settlement Agreement and Mutual Release immediately to CSUMB. The increased capacity charges to any other school district, state agency, county office of education, community college district or the University of California will be effective only when negotiations are concluded with those entities.

Section 3. Purpose of Ordinance. The purpose of this Ordinance is to revise charges for water and wastewater services. This Ordinance amends Sections 6.08.030, 6.08.060, 6.08.100, and 6.12.050 of the District Code.

Section 4. Temporary Water Service. Section 6.08.030 (F) of the District Code is amended to read in full as follows:

“6.08.030 Temporary water service.

- F. The applicant shall be responsible for district equipment utilized for this purpose and the necessary repair or replacement costs shall be deducted from the applicant's deposit. The applicant is responsible for returning the district equipment and closing the account promptly after the job is complete. If a meter is not returned promptly, the district shall deduct the cost of replacing the meter from the applicant's deposit.

Gate Valve/Meter deposit	\$ 650.00
Water consumption deposit	\$1,100.00 minimum
Set or remove hydrant meter	\$ 140.00
Relocate meter per occurrence	\$ 140.00
Meter set, other than on fire hydrant	Actual Cost
Minimum monthly service charge (Effective July 1, 2011)	\$ 82.24
Minimum monthly service charge (Effective July 1, 2012)	\$ 86.35
<u>Monthly quantity rate for each HCF (see Section 6.08.100 Water Consumption Rates”</u>	

Section 5. Monthly Minimum Water Charges. Section 6.08.060 of the District Code is hereby amended to read in full as follows:

“6.08.060 Monthly minimum water charges.

The monthly minimum charges for water service shall be:

Meter Size	Effective July 1, 2011 Charges	Effective July 1, 2012 Charges
5/8” or 3/4”	\$17.95	\$18.85
1”	\$44.85	\$47.09
1-1/2”	\$89.70	\$94.19
2”	\$143.50	\$150.68
3”	\$269.07	\$282.52
4”	\$448.45	\$470.87
6”	\$896.90	\$941.75
8”	\$1,793.80	\$1,883.49

Section 6. Water Consumption Rates. Section 6.08.100 of the District Code is hereby amended to read in full as follows:

“6.08.100 Water consumption rates.

A. Water consumption by District Customers shall be measured in units of one hundred cubic feet (seven hundred forty-eight gallons). The quantity charge for water consumption per one hundred cubic feet (HCF) shall be as follows:

	Effective July 1, 2011	Effective July 1, 2012
0-8 hcf	\$2.18 per hcf	\$2.29 per hcf
9-16 hcf	\$2.66 per hcf	\$2.79 per hcf
16 + hcf	\$4.85 per hcf	\$5.09 per hcf

Construction Water Depots:

Minimum Monthly Charge (Effective July 1, 2011) \$ 82.24

Minimum Monthly Charge (Effective July 1, 2012) \$ 86.35

Monthly Quantity rate for each HCF

(see above table for Consumption Rates)”

Section 7. Wastewater Collection Rates. Section 6.12.050 of the District Code is amended to read in full as follows:

“6.12.050 Wastewater collection rates.

Wastewater collection rates for all classes of customers within the District shall be as follows per month per equivalent dwelling unit (EDU), calculated using the table of user classifications and wastewater demand factors set forth in Appendix D of this code.

\$8.71 per equivalent dwelling unit (Effective July 1, 2011)

\$9.15 per equivalent dwelling unit (Effective July 1, 2012)

Section 8. Requirements for Rates, Fees and Charges. The rates, fees and charges adopted by this ordinance shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed. Revenues derived, respectively, from water and sewer capacity charges shall not be used for any purpose other than for capital facilities to provide, respectively, water and sewer service. If the capacity charges adopted by this ordinance create revenues in excess of actual cost, those revenues shall be used to reduce the capacity charges creating the excess.

Section 9. Effective Date. All sections of this Ordinance shall take effect upon adoption. The District conducted a public hearing not less than 45 days after the District mailed notice of the proposed increase in rates, fees and charges to the customers directly liable to pay the rates, fees and charges in question (excluding capacity charges). At the public hearing held regarding the rate increases, the District Board considered all protests against the proposed increase in rates, fees and charges (excluding capacity charges). A majority of customers that directly pay bills of the identified service address did not file written protests.

Section 10. Publication and Posting. Within 15 days after adoption, the district shall publish, in a newspaper published in Monterey County and circulated within the district, a summary of this ordinance with the names of those directors voting for and against adoption, and shall post in the district office a certified copy of the full text of this ordinance as adopted along with the names of those directors voting for and against adoption.

Section 11. Notice of Exemption Notice of Determination. The Secretary is authorized and directed to give due notice of exemption of this ordinance from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

Section 12. Existing Charges. Existing rates, fees and charges in effect when this ordinance is adopted shall remain in effect unless specifically changed by this ordinance.

Section 13. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, or superseded by some other provision of law, such provisions shall be severed from and shall not affect the validity of the remaining provisions of this ordinance. The Board hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any other part thereof be unconstitutional or invalid, or superseded by some other provision of law. The parts of this ordinance which are not unconstitutional, invalid, or superseded shall remain in full force and effect and shall be enforced according to their terms.

Section 14. Interpretation. Words and phrases used in this ordinance shall be read conjunctively with and shall have the same meaning as in prior district ordinances and the district Code, unless specifically changed by this ordinance or unless the context requires some other construction. If there is any inconsistency between this ordinance and prior provisions, this ordinance shall control.

On motion of Director _____, seconded by Director _____, the foregoing Ordinance is enacted and shall take effect on _____ by the following roll call of the Board:

Ayes: _____

Nays: _____

Absent: _____

Abstained: _____

By _____
William Y. Lee, President

ATTEST:

Jim Heitzman, Secretary

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that the foregoing Ordinance was adopted and approved by the Board of Directors at their regular meeting on June 14, 2011.

Jim Heitzman, Secretary