

RESOLUTION NO. 1384

RESOLUTION OF THE MESA CONSOLIDATED WATER DISTRICT BOARD OF DIRECTORS DETERMINING COMPLIANCE WITH PROCEDURAL REQUIREMENTS, MAKING FINDINGS, REVISING WATER RATES, REVISING METER RATES, REVISING FIRELINE STAND-BY CHARGES, AND ADOPTING RATE AND CHARGE IMPLEMENTATION SCHEDULES, AMENDING WATER RATE AND CHARGE SCHEDULES AND TAKING RELATED ACTIONS SUPERCEDING RESOLUTION 1367

WHEREAS, the Mesa Consolidated Water District (Mesa) is a county water district organized and operating according to California Law; and

WHEREAS, Mesa has authority to set and collect rates for water and water services that it provides pursuant to the provisions of Water Code Sections 31000, 31001, 31024, and 31025; and

WHEREAS, the provisions of Section 6 of Article XIID of the California Constitution are currently applicable to various rates and charges of public agencies and entities, including, but not limited to, water and water service rates of public water districts operating within the State of California under current California law; and

WHEREAS, the Mesa Consolidated Water District Board of Directors (Board) has previously adopted its "Policy Concerning Rate Change Proceedings" (Policy) in order to provide directives, guidance, and policies for changes in Mesa's water and water service rates under the provisions of California law, and to provide assistance for implementation of such requirements; and

WHEREAS, the Board has previously undertaken proceedings and provided direction for a proposed change in certain of Mesa's water rates and charges, including the water usage charge, Meter Basic Charge and Fireline Stand-by Charge (as further described herein) and has directed that notice of such proposed changes in such water rates and charges be provided and that a public hearing be held thereon as required by State law, as described in the Policy and as further described herein; and

WHEREAS, written notice of the referenced public hearing, the proposed revised water rates and charges and proposed water rate and charge implementation schedule has been provided to Mesa's customers as required under applicable State law and as further described herein; and

WHEREAS, there has been prepared by Mesa documentation and financial data concerning Mesa's finances, fiscal projections, current and anticipated financial requirements, the costs and financing requirements for Mesa to meet its future facilities and water service requirements, and Mesa's adopted budget for Fiscal Year 2009-2010, as well as future budgetary projections, documenting the need for the proposed change in Mesa's water rates and charges as described herein, which data and information is on file with Mesa's District Secretary and has been made available to

members of the public who may request such information and which information has been made available to, and in certain cases presented to, the Board as part of its consideration of this matter; and

WHEREAS, on December 22, 2009, the Board conducted and completed a noticed public hearing to receive public input, comments and protests with regard to the proposed revised water rates and charges, which public hearing was held at Mesa's offices located at 1965 Placentia Avenue, Costa Mesa, California; and

WHEREAS, information to support the findings made by the Board within this Resolution have been prepared by Mesa staff, made available to any member of the public who requested such information and has been presented to the Board as part of its consideration of this matter; and

WHEREAS, the Board desires to make certain findings and determinations in connection with the revision of Mesa's water rates and charges as set forth herein; and

WHEREAS, the Board desires to authorize the revised water rates and charges on the basis set forth herein, to comply with the schedule attached hereto, and to be effective as set forth within the text of this Resolution and the schedule attached hereto.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MESA CONSOLIDATED WATER DISTRICT HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. **Provision of Notice.** Pursuant to the provisions of Section 6(a)(1) of Article XIII D of the California Constitution, Government Code Sections 53755 and 53756 and the Policy, Mesa provided written notice by mailing of the proposed rate and charge changes and proposed implementation schedule for such revised rates and charges to Mesa customers within Mesa's service area. The form of such notice is on file with Mesa's District Secretary and has been presented to the Board as part of its proceedings. Such notice included the proposed maximum amount of the proposed rates and charges to be effective for Mesa's customers, an identification of the reasons for the imposition of such proposed water rates and charges, a method of calculation for Mesa's customers to determine the impact of such changed rates and charges upon existing Mesa customer accounts and the proposed schedule for implementation of such water rate and charge changes. Such notice also included a statement of the date, time and location of the public hearing to be conducted on such proposed rate and charge changes by the Board and the opportunity to present protests concerning such water rate and charge changes to the Board. Mailing of such written notice was completed more than forty-five (45) days prior to the date set for conducting of the public hearing. The applicable customer list to which such written notice was mailed is held by Mesa's District Secretary.

In addition to the provision of such written notice to Mesa customers within the Mesa's service area, Mesa also provided notice of such proposed imposition of the

proposed water rate and charge changes and such public hearing as follows:

1. Notice concerning the proposed water rates and charges and the date, time and place for the public hearing was published in the *Daily Pilot* newspaper on December 8, 2009, and December 15, 2009;
2. Notice of the proposed revision of the water rates and charges, the proposed implementation schedule, public hearing, availability of documentation therefor and the opportunity to present protests concerning such revised water was posted on Mesa's internet web site located at www.mesawater.org for a period of more than forty-five (45) days prior to the date the public hearing was conducted; and
3. Notice of the proposed revision of the water rates and charges, the date, time and place of such public hearing and the opportunity to present protests concerning such revision of the water rates and charges was posted at the following locations on the following dates:
 - (i) Mesa Consolidated Water District, 1965 Placentia Avenue, Costa Mesa, California on November 6, 2009;
 - (ii) Adams Street Post Office, 1590 Adams Avenue, Costa Mesa, California on November 6, 2009; and
 - (iii) Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California on November 6, 2009.

Section 3. **Data and Information Relating to Determination to Adopt and Implement Revised Rates and Charges.** The Board has been provided with, and/or had available to it, various reports, data and information supporting the findings made herein and the determination of the Board to revise Mesa's water rates and charges as described herein. Reference is also made to those meetings held by the Board, and supporting documentation made available to the Board and members of the public, as part of the consideration of the potential Mesa imposition of the revised water rates and charges on on-going and future Mesa financial considerations. Such data and information has been available, and made available, as applicable, to members of the public desiring to review such, and is on file with Mesa's District Secretary and available for review upon public request. Such data and information includes, but it not limited to, the following:

1. Mesa's adopted Fiscal Year 2009-2010 Budget;
2. Financial projections relating to Mesa's financial and operating requirements, including, but not limited to, installment payments to be made by Mesa as part of Mesa's outstanding Certificates of Participation the costs and financing requirements for the Mesa to meet its future facilities requirements, future imported water purchase costs and future anticipated utilities costs;

3. Financial considerations relating to the prudent and financially responsible level of Mesa's financial dedicated funds and accounts; and

Section 4. **Public Hearing.** Pursuant to the provisions of Section 6(a)(2) of Article XIID of the California Constitution, Mesa's Board conducted a public hearing on the proposed revised water rates and charges, and proposed implementation schedule thereof, not less than forty-five (45) days after the date of mailing of the within-referenced written notice to Mesa customers within Mesa's boundaries as set forth in Section 2 herein. Such public hearing was conducted at Mesa's offices located at 1965 Placentia Avenue, Costa Mesa, California commencing at 7:00 p.m. on December 22, 2009. At the time of the public hearing Mesa's Board considered all protests against the proposed revised water rates and charges as set forth in Section 5 hereof. Such public hearing was conducted in conformance with the requirements of the Policy. During such public hearing the Board was presented with the results of all qualified protests to the proposed Mesa revised water rates and charges and heard and considered all public comments submitted to the Board during such public hearing and a full and fair hearing was held.

Section 5. **No Majority Protest.** Pursuant to the provisions of Section 6(a)(2) of Article XIID of the California Constitution and the Policy, Mesa's District Secretary has reviewed those protests received by Mesa with regard to the proposed imposition of the revised water rates and charges. Any and all protests submitted to Mesa concerning such proposed revised water rates and charges were handled and considered as set forth in the Policy. Mesa's District Secretary has compared such protests with the Mesa's customer list on file with the Mesa. Mesa's District Secretary has provided the Board with a statement of all such protests. Based thereon, the Board hereby determines that the proposed revised water rates and charges described herein have not been protested by a majority of owners of parcels/customers within Mesa's service area.

Section 6. **Findings.** The Board hereby finds and determines as follows:

1. Mesa's current and projected finances, financial condition, and revenue requirements, based on information available to Mesa and the costs and financing requirements for the Mesa to meet its future facilities and water service requirements have been considered and the Board has adopted a balanced budget for Fiscal Year 2009-2010. Correspondingly, the Board hereby finds and determines that the revenues derived from the revised water rates and charges set forth herein do not exceed the funds required by the Mesa in order to provide the services the Mesa provides to its customers;
2. The Board hereby determines and directs that revenues derived from the revised water rates set forth herein shall be used for the purposes for which Mesa was formed and operates, including, but not limited to, the provision of water availability and water service to Mesa's customers, and shall not be used for other purposes;

3. Mesa's revised water usage rates are based on the amount of water actually used by individual Mesa customers within specific billing periods. Correspondingly, the amount of the revised water usage rates applicable to Mesa's customers do not exceed the proportional cost of Mesa's provision of water service to Mesa customers;
4. Mesa's Meter Basic Charges and Fireline Stand-by Charges are based on the availability of water services (including, but not limited to, emergency water availability) to each Mesa customer within each corresponding billing period. Correspondingly, the amount of Mesa's Meter Basic Charges and Fireline Stand-by Charges during the corresponding billing periods for Mesa's customers do not exceed the cost of Mesa's provision of water availability (including, but not limited to, emergency water availability) and water service to Mesa customers;
5. Section 6(b)(4) of Article XIID of the California Constitution provides that no fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. In the case of Mesa's water rates and charges referenced herein, Mesa's services for water availability and delivery are imposed on customers where such service is actually used by, or is immediately available to (including, but not limited to, the availability of emergency water service), Mesa customers which are, and will be, subject to the revised water rates and charges;
6. Mesa's water rates and charges are imposed only on Mesa customers for the particular and specific water functions and services of Mesa. Mesa's water rates and charges will be imposed pursuant to Mesa's Rules and Regulations as applicable to Mesa's customers. Mesa does not, and will not, impose such water rates and charges for purposes of the provision of general governmental services such as police, fire, ambulance or library services which are available to the public at large;
7. Mesa's water rates and charges are part of an integrated finance and revenue system of rates and charges which are designed and implemented by Mesa in order to meet Mesa's financial obligations and responsibilities to operate, maintain and improve its water systems and facilities, to meet its legal and operational obligations and requirements and to conduct its business, administrative and governmental operations;
8. With respect to the schedule of rate and charge changes described herein, the within-referenced notices and proceedings complied with Government Code Section 53756; and
9. The reasons and basis for the adoption and implementation of the revised water rates and charges, and the method of calculation thereof, have been identified in the notices provided as set forth in Section 2 and in the documentation and information referenced in Section 3.

Section 7. **Adoption and Implementation of Revised Water Rates and Charges.**

1. Mesa's water usage rates are hereby revised to conform to the schedule attached hereto as Exhibit A and incorporated herein by this reference.
2. Mesa's Meter Basic Charge is hereby revised to conform to the Schedule attached hereto as Exhibit A and incorporated herein by this reference.
3. Mesa's Fireline Stand-by Charge is hereby revised to conform to the schedule attached hereto as Exhibit A and incorporated herein by this reference.
4. Mesa's schedules of rates and charges are, and shall be, amended or revised to conform to the directives of this Resolution.
5. The revised water rates and charges adopted hereby shall be effective for Mesa's provision of water and water service as set forth in the schedule attached hereto as Exhibit A.
6. Mesa's other existing rates, fees and charges, which were not subject to the proceedings for revision undertaken as described herein, are not amended or revised by way of this Resolution.
7. In the event that the Board shall determine to impose the within-referenced rates and charges at lower levels or at later dates than set forth in the attached schedule, the Board shall take such action(s) and thereafter provide notice of such change(s) and/or revision(s) to Mesa customers as required by applicable law.

Section 8. **Other Actions.** Mesa's General Manager and other Mesa officers and staff and Mesa's consultants are hereby authorized and directed to take all necessary and appropriate actions as may be required or desirable to carry out the findings and directives of this Resolution.

Section 9. **Authority.** This Resolution is adopted pursuant to the provisions of Water Code Sections 31000, 31001, 31024, 31025, and 30523 and the requirements of Government Code Sections 53755 and 53756.

Section 10. **Effective Date.** This Resolution shall be effective immediately upon adoption.


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ADOPTED, SIGNED, and APPROVED this 22nd day of December, 2009, by a roll call vote.

AYES: DIRECTORS: Atkinson, Fisler, Bockmiller, Dewane
NOES: DIRECTORS:
ABSENT: DIRECTORS: Ohlig-Hall
ABSTAIN: DIRECTORS:



Shawn Dewane
President, Board of Directors



Coleen L. Monteleone
District Secretary

EXHIBIT A

RESOLUTION NO. 1384

**RESOLUTION OF THE MESA CONSOLIDATED WATER DISTRICT
BOARD OF DIRECTORS DETERMINING COMPLIANCE WITH PROCEDURAL REQUIREMENTS,
MAKING FINDINGS, REVISING WATER RATES, REVISING METER RATES, REVISING FIRELINE STAND-
BY CHARGES, AND ADOPTING RATE AND CHARGE IMPLEMENTATION SCHEDULES, AMENDING
WATER RATE AND CHARGE SCHEDULES AND TAKING RELATED ACTIONS
SUPERCEDING RESOLUTION NO. 1367**

**MESA CONSOLIDATED WATER DISTRICT
WATER RATE SCHEDULE**

**Commodity Charges for Potable, Recycled, Construction,
and Fireline Water, Basic Charges, and LAFCO Surcharges
Effective for water used on and after January 1, 2010**

| | Usage Charge | | | | |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>Per Unit * (CCF):</u> | <u>FY2010</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2013</u> | <u>FY2014</u> |
| Potable | \$2.60 | \$2.70 | \$2.85 | \$3.00 | \$3.15 |
| Recycled | \$2.34 | \$2.43 | \$2.57 | \$2.70 | \$2.84 |
| Construction | \$3.90 | \$4.05 | \$4.28 | \$4.50 | \$4.73 |
| Fire | \$5.20 | \$5.40 | \$5.70 | \$6.00 | \$6.30 |

** One unit equals 100 cubic feet or 748 gallons.*

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SUPERCEDING RESOLUTION NO. 1367

MESA CONSOLIDATED WATER DISTRICT WATER RATE SCHEDULE

Bi-monthly Meter Basic Charge

| <u>Meter Size:</u> | <u>FY2010</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2013</u> | <u>FY2014</u> |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| 5/8" | \$16.00 | \$17.00 | \$18.00 | \$19.00 | \$20.00 |
| 3/4" | \$24.00 | \$25.50 | \$27.00 | \$28.50 | \$30.00 |
| 1" | \$40.00 | \$42.50 | \$45.00 | \$47.50 | \$50.00 |
| 1-1/2" | \$80.00 | \$85.00 | \$90.00 | \$95.00 | \$100.00 |
| 2" | \$128.00 | \$136.00 | \$144.00 | \$152.00 | \$160.00 |
| 3" | \$280.00 | \$297.50 | \$315.00 | \$332.50 | \$350.00 |
| 4" | \$504.00 | \$535.50 | \$567.00 | \$598.50 | \$630.00 |
| 6" | \$1,120.00 | \$1,190.00 | \$1,260.00 | \$1,330.00 | \$1,400.00 |
| 8" | \$1,920.00 | \$2,040.00 | \$2,160.00 | \$2,280.00 | \$2,400.00 |
| 10" | \$3,040.00 | \$3,230.00 | \$3,420.00 | \$3,610.00 | \$3,800.00 |

Class I - Fireline Stand-by Charge

| <u>Meter Size:</u> | <u>FY2010</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2013</u> | <u>FY2014</u> |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| 2" | \$15.00 | \$16.00 | \$17.00 | \$18.00 | \$19.00 |
| 3" | \$22.50 | \$24.00 | \$25.50 | \$27.00 | \$28.50 |
| 4" | \$30.00 | \$32.00 | \$34.00 | \$36.00 | \$38.00 |
| 6" | \$45.00 | \$48.00 | \$51.00 | \$54.00 | \$57.00 |
| 8" | \$60.00 | \$64.00 | \$68.00 | \$72.00 | \$76.00 |
| 10" | \$90.00 | \$96.00 | \$102.00 | \$108.00 | \$114.00 |

Class II - Fireline Stand-by Charge

| <u>Meter Size:</u> | <u>FY2010</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2013</u> | <u>FY2014</u> |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| 2" | \$30.00 | \$32.00 | \$34.00 | \$36.00 | \$38.00 |
| 3" | \$45.00 | \$48.00 | \$51.00 | \$54.00 | \$57.00 |
| 4" | \$60.00 | \$64.00 | \$68.00 | \$72.00 | \$76.00 |
| 6" | \$90.00 | \$96.00 | \$102.00 | \$108.00 | \$114.00 |
| 8" | \$120.00 | \$128.00 | \$136.00 | \$144.00 | \$152.00 |
| 10" | \$180.00 | \$192.00 | \$204.00 | \$216.00 | \$228.00 |

Surcharge for Potable and Recycled Water

LAFCO Surcharge \$1.00 per account per year

