

ORDINANCE NO. 2015-01

ORDINANCE INCREASING AND ADJUSTING WATER  
SYSTEM SERVICE CHARGES

WHEREAS, it is a major responsibility of the Oceano Community Services District ("District") to maintain adequate levels of revenue to meet the District's financial commitments for the operation and maintenance for water facilities and the replacement of existing facilities in the future which benefit the customer or property being charged; and

WHEREAS, on April 20, 2015, at 6:30 p.m. the District conducted a duly noticed public hearing at its Board chambers located at 1655 Front Street, Oceano California, wherein the Board of Directors considered public comment in support and in opposition to the proposed rate increase and whether or not a majority protest to the proposed rate increase exists pursuant to Section 6 of Article XIII D of the California Constitution. At the conclusion of the public hearing, the Board found that approximately 8 protests were received and that a majority protest did not exist; and

WHEREAS, based on facts and analysis presented in the rate study, written protests received prior to the close of the April 20, 2015, public hearing, the Staff Report, Staff Presentation and public testimony received, the Board of Directors finds:

A. The District has provided tenants and property owners to whom the OCSD customarily mails billing statements for water services and to the record owner's address shown on the last equalized assessment roll a notice on the proposed rates and charges, the amounts of the proposed rates and charges, the basis for the calculations, the reason for the increase in the rates and charges, and the date, time, and location for a public hearing which was not less than 45 days after the date of mailing.

B. The revenues derived from the new water rates and charges will not be used for any purpose other than that for which the charges are imposed.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the District as follows:

SECTION 1: In accordance with Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act (commencing with Section 53750 of the California Government Code), there are hereby established within the Oceano Community Services District, Charges for Water Service (including Consumption Charges during Drought Emergencies), Other Charges, and a Schedule of Adjustment for Inflation and Contract Water Costs as specified in Exhibit "A" hereto, which Exhibit "A" is incorporated herein by this reference, for the purpose of providing water service.

SECTION 2: This ordinance shall take effect and be in full force and effect thirty (30) days after its passage and before the expiration of fifteen (15) days after passage of this ordinance, it shall be published once with the names of the members of the Board of Directors voting for and against the ordinance in a newspaper of general circulation published in the County of San Luis Obispo, State of California.

SECTION 3: Repeal of Prior Ordinances and Resolutions. All ordinances, Resolutions and sections of Ordinances and Resolutions that are inconsistent with this Resolution are hereby repealed. If not inconsistent, such ordinance and resolutions shall remain in full force and effect.

SECTION 4: Effect of Repeal of Part Actions and Obligations. This Resolution does not affect prosecutions for violations committed prior to the effective date of this Ordinance, does not waive any fee or penalty due and unpaid on the effective date of this Ordinance .

INTRODUCED at a special meeting of the Board of Directors held on the 4th day of March , 2015, and PASSED, APPROVED and ADOPTED by the Board of Directors of the Oceano Community Services District, this 20th day of - April, 2015, upon the motion of Director Guerrero, a second by Vice President White, and upon the following roll call vote, to wit:

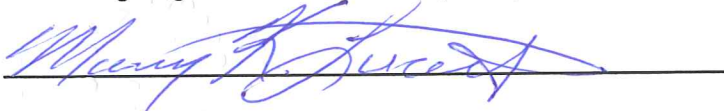
AYES: Director Guerrero, Vice President White, Director Angello, Director Blackburn, President Lucey

NOES: None

ABSENT: None

ABSTAINING: None

The foregoing ordinance is hereby adopted:



President of the Board of Directors

ATTEST:

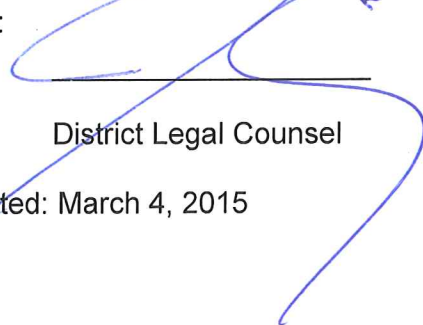
CELIA RUIZ  
Secretary of the Board of Directors

BY:   
Board Secretary

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

Jeffrey Minnery  
District Legal Counsel

By:   
District Legal Counsel

Dated: March 4, 2015

**EXHIBIT "A"**  
**SCHEDULE OF WATER SYSTEM SERVICE CHARGES**

1. Charges for Water Service (per water service connection).

a) Basic Bi-Monthly Charge for Residential Water Service.

\$46.26 per bi-monthly period per residential unit; for properties where a single meter serves more than one residential dwelling unit, the bi-monthly "Basic Bi-Monthly Charge" shall be calculated by multiplying the number of residential dwelling units by the Basic Bi-Monthly Charge.

b) Basic Bi-Monthly Charges for Non-Residential Water Service Connections.

5/8 inch meter	\$	51.66 bi-monthly
3/4 inch meter	\$	62.89 bi-monthly
1 inch meter	\$	96.21 bi-monthly
1-½ inch meter	\$	173.79 bi-monthly
2 inch meter	\$	269.94 bi-monthly
3 inch meter	\$	429.54 bi-monthly
4 inch meter	\$	729.69 bi-monthly
6 inch meter	\$	1137.66 bi-monthly

For properties where a single meter serves more than one non-residential unit, the bi-monthly "Basic Bi-Monthly Charge" shall be calculated by multiplying the number of non-residential units by the Basic Bi-Monthly Charge.

c) Consumption Charges (Drought Emergency Rates).

Upon the effective date of this ordinance, in addition to the Basic Bi-Monthly Charges, a "Consumption Charge" shall be calculated based on the following tiers:

- i. Base Tier: \$0.00 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water up to 600 cubic feet; plus,
- ii. Tier Two: \$3.25 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 600 cubic feet, up to and including 1,200 cubic feet; plus,
- iii. Tier Three: \$3.60 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 1,200 cubic feet, up to and including 1,800 cubic feet; plus,
- iv. Tier Four: \$4.00 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 1,800 cubic feet, up to and including 2,400 cubic feet; plus,

- v. Tier Five: \$4.20 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 2,400 cubic feet.

All Consumption Charges shall be calculated by first adjusting the quantities of water in each tier by multiplying the quantities of water stated in this section by the number of residential or non-residential units, to arrive at the quantity of water that will be charged at the rate applicable to each tier. Said number of units shall be the same as utilized to calculate the Basic Bi-Monthly Charges above.

d) Post Drought Consumption Charges.

Within 90 days after the Board of Directors determines that the current drought emergency is over, the "Consumption Charge" stated in Section 1(c) shall be reduced and calculated based on the following tiers:

- vi. Base Tier: \$0.00 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water up to 600 cubic feet; plus,
- vii. Tier Two: \$2.25 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 600 cubic feet, up to and including 1,200 cubic feet; plus,
- viii. Tier Three: \$2.50 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 1,200 cubic feet, up to and including 1,800 cubic feet; plus,
- ix. Tier Four: \$2.95 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 1,800 cubic feet, up to and including 2,400 cubic feet; plus,
- x. Tier Five: \$3.15 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 2,400 cubic feet.

All Consumption Charges shall be calculated by first adjusting the quantities of water in each tier by multiplying the quantities of water stated in this section by the number of residential or non-residential units, to arrive at the quantity of water that will be charged at the rate applicable to each tier. Said number of units shall be the same as utilized to calculate the Basic Bi-Monthly Charges above.

Within the 90 days after the Board of Directors determines that the current drought is over, the Board of Directors may conduct a public hearing for the purpose of considering an ordinance that would reduce the Consumption Charges as shown in Section 1(c) to the Consumption Charges shown in this Section 1(d) over a period of time not to exceed three years. In the event that the Board of Directors determines that it will reduce the Consumption Charges over a period of time not to exceed three years, it shall consider estimates regarding changes in consumption such that the total charges under this section do not exceed the total of the charges that would be collected under Section 1(c).

- e) A “Supplemental Water Charge” of \$1.54 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water. The Supplemental Water Charge will be reduced to \$1.23 within 90 days after the Board of Directors declares the drought over unless an ordinance is adopted within the 90 day period to cause the reduction to go into effect over a period of time not to exceed three years.
- f) An “Out of District Charge” for those properties that are outside the District boundaries but are receiving District water or sewer services, not on an emergency basis, there will be a \$7.35 administration charge per billing period.
- g) Water supplied through hydrant meters will be charged at \$3.05 per 100 cubic feet of water, or fraction thereof.

2. Other Charges.

a) Program Charges for Fats, Oils and Grease.

For those properties that are subject to the District’s Fats, Oils and Grease (FOG) program, the bi-monthly charge shall be \$60 per bi-monthly billing period, or fraction thereof, based on charges from the South San Luis Obispo County Sanitation District

b) Late Charges and Door Hanger Fees.

The General Manager is authorized to waive Late Charges and Door Hanger Fees for any residential customer who has not been late in paying their water bills for the prior two years, or since the account was opened if less than two years.

c) Payment Plans for Hardship Situations.

The General Manager is authorized to develop a payment plan for any residential customer who has not been previously approved for a payment plan in the prior two years, or since the account was opened if less than two years, if in the judgment of the General Manager a viable hardship exists. In no event shall the payment plan provide for less than 50% of the amount due at its regular due date, with the remaining balance due when the next regular bill is due.

3. Schedule of Adjustments for Inflation and Contract Water Costs.

The following schedule of adjustments as provided in this Section 3, and pursuant to Government Code Section 53756, are adopted for a period not to exceed five years from the effective date of this Ordinance. Notice of any adjustments pursuant to this section shall be mailed not less than 30 days before the effective date of the adjustment pursuant to Government Code Section 53756(d).

- a) All rates shall be adjusted annually every May 1,<sup>st</sup> for application in the first billing period that starts after May 1st of that year, by the average of the annual percentage increases in the Consumer Price Index (“CPI”) for “All Urban Wage Earners and Clerical Workers” for all items for San Francisco/Oakland/San Jose and Los Angeles/Riverside/Orange Co. categories as published by the Bureau of Labor Statistics in January of each year. In the event that the CPI calculation is a negative number, the rates shall not be adjusted.
- b) The Supplemental Water Charges shall be adjusted annually every May 1st, for application in the first billing period that starts after May 1st of that year, based on the percentage increase in the Contract Costs for the Lopez Water Project as compared to the most immediate previous year, exclusive of variable costs incurred for the delivery of water, and less the percentage increase calculated in Section 3(a), above.
- c) The Basic Bi-Monthly Charges in Section 1(a) and 1(b) shall be adjusted annually every May 1st, for application in the first billing period that starts after May 1st of that year, based on the percentage increase in the Contract Costs for the State Water Project as compared to the most immediate previous year, exclusive of variable costs incurred for the delivery of water, and less the percentage increase calculated in Section 3(a), above.