

RESOLUTION NO. 2011-13

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE COASTSIDE COUNTY WATER DISTRICT
AMENDING THE RATE AND FEE SCHEDULE
TO INCREASE WATER RATES**

THIS RESOLUTION IS ADOPTED with reference to the following facts and circumstances which are found and declared by the Board of Directors:

1. The General Manager and Finance Committee, during consideration and preparation of the budget for Fiscal Year 2011-2012, determined that at current rates and projected levels of water sales and expenses, the District's annual expenses are expected to significantly exceed revenues. California Water Code Section 31007 authorizes the District to establish rates and charges to yield an amount sufficient to pay operating expenses, to provide for repairs and depreciation of works owned and operated by the District, to pay interest on bonded debt, and to provide a fund to pay principal on bonded debt.

2. The District's financial consultant, Bartle Wells Associates, prepared an August 2009 Water Financing Plan and a June 2011 Water Financing Plan Update (collectively, "Financing Plan") that analyzed the District's revenue requirements, provided a recommendation for increasing the water rates, and established a rationale for the increased charges. The Financing Plan is incorporated into this Resolution by this reference.

3. The anticipated increases in expenses are attributable to a number of factors including but not limited to, a 26% increase in the cost of water supplied by the San Francisco Public Utilities Commission, increased costs associated with compliance with regulatory requirements, increased community outreach for water awareness and conservation, payment of debt service for financing of necessary capital improvements and replacement of aging facilities, and higher costs for personnel, materials and services.

4. On May 10, 2011, the Board of Directors at a regular meeting evaluated the proposed modifications to the District's Rate and Fee Schedule and set a public hearing for June 28, 2011 to consider the modifications to the District's Rate and Fee Schedule.

5. The District prepared a notice that described the amounts, the basis for calculating, and the reasons for the increased rates and charges, and identified the date, time, and location for the public hearing on the increased rates and charges, and the procedures for submitting a protest. The District mailed the written notice to the property owners and customers in the District at least 45 days before the date of the public hearing.

6. The Board considered its options for responding to this situation at a public hearing at which the specific rate proposal enacted herein was addressed. Notice of the public hearing was

provided to each parcel subject to the proposed rate increase. Notice of the public hearing was also advertised in the May 18, 2011 and May 25, 2011 editions of the Half Moon Bay Review newspaper. Additionally, the notice was placed on the District's website. At the public hearing, the Board of Directors considered all protests against the proposed rate modification, and written protests against the proposed rate increase were not presented by a majority of owners of the parcels subject to the proposed rate increase.

7. After discussion and consideration of the comments received at the public hearing, the Board finds the rates hereinafter set forth to be reasonable and required for the proper operation of the District.

8. The Board further finds that the amount of the rates hereinafter set forth does not exceed the amount of the estimated costs required to provide the services for which the rates are levied.

9. The Board further finds that the increases in rates effected by this Resolution are reasonable and required for the proper operation of the District, and are exempt from the California Environmental Quality Act, pursuant to Section 21080(b)(8) of the Public Resources Code, because they are for the purposes of (1) meeting operating expenses, (2) purchasing or leasing supplies, equipment and materials, (3) meeting financial reserve requirements, and (4) obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Coastside County Water District as follows:

1. Section 1.A., Base Charge, of the Rate and Fee Schedule, is amended to read as follows:

"A. BASE CHARGE

The following base charge is the minimum charge to be paid by all customers on a bi-monthly basis:

Meter Size	Bi-Monthly Base Charge
5/8 inch	\$ 30.72
5/8 inch for 2 dwelling units	\$ 67.57
3/4 inch	\$ 46.18
3/4 inch for 2 dwelling units	\$ 92.41
1.0 inch	\$ 76.97
1.5 inch	\$ 148.64
2.0 inch	\$ 246.34
3.0 inch	\$ 538.90
4.0 inch	\$1,847.89

2. Section 1.B, Quantity Charge, of the Rate and Fee Schedule is hereby amended to read as follows:

"B. QUANTITY CHARGE

In addition to the bi-monthly base charge set forth in Section 1.A, the following quantity charges shall be paid per one hundred cubic (hcf) of water delivered:

1. Residential Customers

Use Tiers	Bi-Monthly Water Consumption Charge
1 - 8 Units	\$5.02
9 - 25 Units	\$5.53
26 - 40 Units	\$7.19
41 or more Units	\$8.88

2. Other - Water Rate Schedule \$6.83 per unit

3. Fire Detector Check Valve \$6.72 per inch

Residential Customers, for purposes of this Section 1.B, are single family homes, duplexes, condominiums, townhouses and all apartment buildings with individual meters for separate residential dwelling units. Apartment houses with a single "master meter" measuring consumption within multiple dwelling units are not "Residential Customers" for purposes of this Section 1.B."

4. Section 3.D, Portable Meters, of the Rate and Fee Schedule, is hereby amended to read as follows:

"D. PORTABLE METERS

Customers requesting water service through portable meters shall pay:

1. A deposit in an amount, as estimated by the General Manager, equal to the replacement cost of the meter.
2. A bi-monthly rental charge of \$71.67.
3. In addition, customers using portable meters shall pay quantity charges pursuant to Section 1.B.2. (All Other Customers)."

5. This Resolution shall be effective for meter readings after July 1, 2011, and any billing for the current billing cycle as of the effective date shall be pro-rated.

6. The General Manager shall arrange for the Rate and Fee Schedule to be re-codified to incorporate the changes effected by this Resolution.

7. The General Manager is directed to file a Notice of Exemption with the County Clerk and to take such other actions as may be necessary to give effect to this Resolution.

PASSED AND ADOPTED THIS 28th day of June, 2011, by the following vote of the Board:

AYES: Director Coverdell, Vice-President Donovan, Directors Larimer and Mickelsen and President Feldman

NOES:

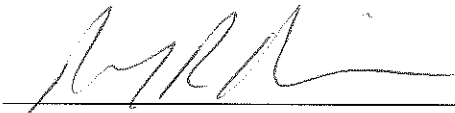
ABSENT:

COASTSIDE COUNTY WATER DISTRICT

Robert C. Feldman

Robert C. Feldman, President Board of Directors

ATTEST:



David R. Dickson, Secretary of the Board