

RESOLUTION NUMBER 2475

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF LAS VIRGENES MUNICIPAL WATER DISTRICT
REVISING POTABLE WATER, RECYCLED WATER, AND SANITATION RATES**

WHEREAS, Las Virgenes Municipal Water District ("District") is a municipal water district established pursuant to Water Code section 71000 et seq.;

WHEREAS, the Board of Directors of the District ("Board") has previously adopted rules and regulations governing potable water service, recycled water service, and sanitation service, and has established rates for such services;

WHEREAS, the District purchases potable water from the Metropolitan Water District of Southern California ("MWD") to provide reliable potable water service to District customers. MWD imports water from two sources: the Colorado River through the Colorado River Aqueduct and Northern California through the California Aqueduct. Reductions in water supplies and restrictions on water imports have resulted, and will continue to result, in increases in the cost of the wholesale water and reductions in the reliability of supply of potable water the District purchases from MWD;

WHEREAS, in addition to the increased costs of imported potable water supply, the District anticipates current and projected cost increases for: (1) operations and maintenance ("O&M") of the potable water system, recycled water system and sanitation system, including increases in the cost of energy required to pump water, recycled water and treat and dispose of sewage within the District; and (2) ongoing repair, replacement, and upgrade for potable water system, recycled water system and sanitation system capital facilities;

WHEREAS, Water Code section 375 authorizes the District to adopt and enforce water conservation through rate structure design;

WHEREAS, the District has determined the amount of water required to satisfy the reasonably necessary requirements of each class of potable water and recycled water customers (for convenience, this allocation is hereafter sometimes referred to as a "water budget");

WHEREAS, the level of service for each class of sanitation customer is a function of the amount of water delivered to the customer and, therefore, is also affected by the water budget;

WHEREAS, the following rates for potable water service, recycled water service and sanitation service are calculated to recover the costs to provide potable water service,

recycled water service, and sanitation service, respectively, and to allocate those costs among customer classes and service areas in proportion to the costs to the District imposed by such customer classes and service areas;

WHEREAS, the revenues derived from the potable water service, recycled water service, and sanitation service fees will not exceed the cost to provide potable water service, recycled water service and sanitation service, respectively, and revenues from such fees shall be used exclusively for the services for which the fees are charged;

WHEREAS, the respective fees will not exceed the proportional cost of the services attributable to each parcel upon which they are imposed;

WHEREAS, the potable water service fees will not be imposed on a parcel unless potable water services are actually used by, or immediately available to, the owner of the parcel;

WHEREAS, the recycled water service fees will not be imposed on a parcel unless recycled water services are actually used by, or immediately available to, the owner of the parcel;

WHEREAS, the sanitation service fees will not be imposed on a parcel unless sanitation services are actually used by, or immediately available to, the owner of the parcel;

WHEREAS, the District, as the lead agency under the California Environmental Quality Act ("CEQA"), in consultation with the District's Legal Counsel, prepared a Preliminary Exemption Assessment for this Resolution to evaluate its potential environmental impacts. The District determined this Resolution and the rates adopted by this resolution are exempt from further CEQA review under Public Resources Code section 21080(b)(8) and California Code of Regulations section 15273 because the water service fees are necessary and reasonable to pay for the administration, operation, maintenance, and improvements of the water systems and will not result in the expansion of the water systems;

WHEREAS, California Constitution Article XIII D, section 6 ("Article XIII D") requires that prior to increasing property-related fees, the District shall provide written notice (the "Notice") by mail of: (1) the proposed increases to such rates and charges to the record owner of each parcel upon which the rates and charges are proposed for imposition and any tenant directly liable for payment of the rates and charges; (2) the amount of the rates and charges proposed to be imposed on each parcel; (3) the basis upon which the rates and charges were calculated; (4) the reason for the rates and charges; and (5) the date, time, and location of a public hearing (the "Hearing") on the proposed rates and charges;

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the rates and charges not less than forty-five days prior to the Hearing on the proposed rates and charges;

WHEREAS, the District provided such Notice to the affected property owners and tenants of the proposed rates for the water service fees in compliance with Article XIII D;

WHEREAS, the District held public community meetings publicized by the District's website, and published notices, on September 30, 2015, and October 7, 2015, to review the proposed rate changes with members of the public who attended;

WHEREAS, the Hearing was held on this day, October 26, 2015; and

WHEREAS, at the Hearing the Board heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases, and at the close of the Hearing the District did not receive written protests against the establishment and imposition of the proposed rate increases from a majority of the affected property owners and tenants directly liable for the payment of the water service fees;

WHEREAS, due to the fiscal impacts referenced above, the Board has determined that it is in the best interests of the District to adopt the proposed increases to the rates for all customer classes of water service;

WHEREAS, the District has established comprehensive long range potable water, recycled water, and sanitation system master plans to create a reliable infrastructure and a sustainable water supply for existing customers; and

WHEREAS, the master plans identify fairly and accurately anticipated costs and revenues for water service, recycled water service, and sanitation service.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT DOES RESOLVE AS FOLLOWS:

SECTION 1: Findings. The board finds, determines and declares the above recitals are true.

SECTION 2: Amendment. Section 3-4.102 of Resolution No. 2468 is hereby amended and reenacted to read as follows:

"3-4.102 READINESS TO SERVE CHARGE

A potable water customer shall pay the following monthly readiness to serve charge based upon the size of the meter serving the property and effective with the date of service. This charge is to offset the cost of providing facilities to serve the customer and shall be paid whether the customer takes delivery of water or not.

Meter Size	Commencing with meter reads on or after:				
	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
3/4"	\$18.30	\$21.73	\$25.43	\$29.42	\$33.72
3/4" x 1"	18.30	21.73	25.43	29.42	33.72
1"	29.47	35.14	41.25	47.87	54.97
1-1/2"	57.39	68.65	80.80	93.95	108.07
2"	90.89	108.86	128.26	149.25	171.80
3"	196.97	236.20	278.55	324.37	373.61
4"	353.30	423.85	500.02	582.43	671.00
6"	894.89	1,073.94	1,267.29	1,476.47	1,701.28
8"	1,564.89	1,878.17	2,216.48	2,582.49	2,975.84
10"	2,346.55	2,816.44	3,323.86	3,872.84	4,462.83

SECTION 3: Amendment. Section 3-4.103 of Resolution No. 2468 is hereby amended and reenacted to read as follows:

"3-4.103 COMMODITY CHARGES

(a) In addition to the readiness to serve charge, each customer shall pay a commodity charge for water delivered through each meter in a monthly period based on the class of customer, tier allotments, and the elevation zone within which the customer's property is located as follows.

(b) The District establishes individualized water budgets for each residential customer based on number of people in the household, irrigated area, evapotranspiration rate, and adjustments. Water budgets are calculated as indicated below:

$$\text{Water budget} = (\text{number of people in household})(55 \text{ gallons per person per day}) + (\text{evapotranspiration rates})(\text{ET adjustment factor})(\text{square feet of irrigated area})(\text{drought factor})$$

Tier allotments, stated in billing units, for residential class of customers are as follows:

Residential	
Tier 1	Efficient Indoor
Tier 2	Efficient Outdoor
Tier 3	Inefficient
Tier 4	Excessive

(c) Each residential customer shall pay a charge for the units of water delivered to offset the cost of delivery, as follows:

Commencing with meter reads on or after:					
	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Tier 1	\$2.36	\$2.43	\$2.51	\$2.58	\$2.66
Tier 2	3.18	3.21	3.24	3.28	3.31
Tier 3	3.96	3.97	3.98	4.00	4.01
Tier 4	4.98	4.99	5.00	5.01	5.03

(Rates for Years commencing January 1, 2017 through January 1, 2020, will be adjusted from the rates herein to reflect changes in the cost of wholesale water from the MWD.)

(d) Tier allotments for irrigation class of customers are determined by irrigated areas and evapotranspiration rates. Water budgets are calculated as indicated below:

$$\text{Water budget} = (\text{evapotranspiration rates})(\text{ET adjustment factor})(\text{square feet of irrigated area})(\text{drought factor})$$

Tier allotments, stated in billing units, for irrigation class of customers are as follows:

Irrigation	
Tier 1	Efficient Outdoor
Tier 2	Inefficient
Tier 3	Excessive

(e) Each irrigation customer shall pay a charge for the units of water delivered to offset the cost of delivery, as follows:

	Commencing with meter reads on or after:				
	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Tier 1	3.18	3.21	3.24	3.28	3.31
Tier 2	3.96	3.97	3.98	4.00	4.01
Tier 3	4.98	4.99	5.00	5.01	5.03

(Rates for Years commencing January 1, 2017 through January 1, 2020, will be adjusted from the rates herein to reflect changes in the cost of wholesale water from the MWD.)

(f) Tier allotments for commercial class of customers are determined by individualized water budgets based on each customer's historical usage. Water budgets are calculated as indicated below:

$$\text{Water budget} = ((\text{previous three-year rolling average}) / (\text{number of days in billing cycle})) (\text{drought factor})$$

Tier allotments, stated in billing units, for irrigation class of customers are as follows:

Commercial	
Tier 1	33% of Budget
Tier 2	67% of Budget
Tier 3	101 – 150% of Budget
Tier 4	Over 150% of Budget

(g) Each customer shall pay a charge for the units of water delivered to offset the cost of delivery, as follows:

	Commencing with meter reads on or after:				
	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Tier 1	\$2.36	\$2.43	\$2.51	\$2.58	\$2.66
Tier 2	3.18	3.21	3.24	3.28	3.31
Tier 3	3.96	3.97	3.98	4.00	4.01
Tier 4	4.98	4.99	5.00	5.01	5.03

(Rates for Years commencing January 1, 2017 through January 1, 2020, will be adjusted from the rates herein to reflect changes in the cost of wholesale water from the MWD.)

(h) Each customer shall pay a charge for each unit of water delivered to offset the cost of pumping as follows:

Zone	Commencing with meter reads on or after:				
	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Zone 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Zone 2	0.42	0.44	0.46	0.49	0.52
Zone 3	0.98	1.03	1.08	1.13	1.19
Zone 4	1.56	1.64	1.72	1.80	1.89

(The elevation charge is determined by the highest zone the water is pumped to prior to reaching the customer.)

As used herein, the elevation zones are:

(a) Zone 1, which includes domestic water customers receiving water that does not require pumping above a hydraulic gradient of 1235' prior to delivery to the customer. As used in this Title, Hydraulic Gradient (or H.G.) shall mean the maximum water elevation represented by the pressure in the water system, or the maximum surface elevation of the water in the reservoir serving the system.

(b) Zone 2, which includes domestic water customers receiving water that requires pumping to elevations between 1235' and 1700' prior to delivery to the customer.

(c) Zone 3, which includes domestic water customers receiving water that requires pumping to elevations between 1700' and 2200' prior to delivery to the customer.

(d) Zone 4, which includes domestic water customers receiving water that requires pumping to elevations greater than 2200' prior to delivery to the customer. "

SECTION 4: Amendment. Section 3-4.104 of Resolution No. 2468 is hereby amended and reenacted to read as follows:

"3-4.104 TEMPORARY SERVICE RATES

(a) A monthly readiness to serve charge shall be paid for each temporary meter to offset the cost of providing facilities to serve the customer and shall be paid following the installation of the meter and regardless of whether the customer takes delivery of water or not. Temporary potable water meter charges are calculated by multiplying the potable rate for the same size meter in Section 3-4.102 by 1.5.

(b) The monthly volume charge per unit of potable water delivered through temporary meters shall be 150% of the Tier 4 potable water volume and elevation zone charges for the site where the temporary meter is connected.

(c) An installation fee of \$50.00 shall be paid prior to installation of the temporary meter by district staff. In addition, a meter deposit of \$500.00 for a 1" meter or \$1,500.00 for a 2-1/2" meter shall be required prior to installation of the meter. Such meter deposit will be refunded, net any costs incurred by the district relative to the temporary meter. For meters larger than 2-1/2", the deposit shall be 2 times the cost of the meter.

(d) Prior to the installation of the temporary meter, the customer shall be required to pay a deposit in an amount sufficient to guarantee the payment of twelve months of water bills as estimated by the General Manager. Such deposit will be refunded, net any costs unpaid to the district for potable water usage."

SECTION 5: Amendment. Section 4-4.102 of Resolution No. 2468 is hereby amended and reenacted to read as follows:

"4-4.102 MONTHLY WATER RATES INSIDE THE DISTRICT

A customer obtaining permanent recycled water service for property located within the district shall pay the monthly water rates set forth below based upon the size of the meter serving the property. This charge is to offset the cost of providing facilities to serve the customer and shall be paid whether the customer takes delivery of water or not.

Meter Size	Commencing with meter reads on or after:				
	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
3/4"	\$9.15	\$13.04	\$19.08	\$25.01	\$33.72
3/4" x 1"	9.15	13.04	19.08	25.01	33.72
1"	14.74	21.09	30.94	40.69	54.97
1-1/2"	28.70	41.19	60.60	79.86	108.07
2"	45.45	65.32	96.20	126.87	171.80
3"	98.49	141.72	208.92	275.72	373.61
4"	176.65	254.31	375.02	495.07	671.00
6"	447.45	644.37	950.47	1,255.00	1,701.28
8"	782.45	1,126.91	1,662.36	2,195.12	2,975.84
10"	1,173.28	1,689.87	2,492.90	3,291.92	4,462.83

SECTION 6: Amendment. Section 4-4.103 of Resolution No. 2468 is hereby amended and reenacted to read as follows:

"4-4.103 COMMODITY CHARGES

(a) Each recycled water customer shall pay a commodity charge for water delivered through each meter in a monthly period based on the class of customer, tier allotments, and the elevation zone within which the customer's property is located as follows.

(b) The District establishes individualized water budgets for each recycled water customer based on irrigated area, evapotranspiration rate, and adjustments. Water budgets are calculated as indicated below:

$$\text{Water budget} = (\text{evapotranspiration rates})(\text{ET adjustment factor})(\text{square feet of irrigated area})(\text{drought factor})$$

Tier allotments for recycled water customers are determined by irrigated areas and evapotranspiration rates.

Tier 1	Efficient
Tier 2	Inefficient
Tier 3	Excessive

(c) Each customer shall pay a charge for the units of water delivered to offset the cost of delivery, as follows:

	Commencing with meter reads on or after:				
	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Tier 1	\$1.18	\$1.19	\$1.19	\$1.18	\$1.16
Tier 2	2.91	2.83	2.67	2.52	2.27
Tier 3	3.73	3.67	3.52	3.37	3.13

(d) Each customer shall pay a charge for each unit of water delivered to offset the cost of pumping as follows:

Zone	Commencing with meter reads on or after:				
	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
LV Valley	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Western System/ Calabasas	0.33	0.34	0.35	0.36	0.37

SECTION 7: Amendment. Section 4-4.104 of Resolution No. 2468 is hereby amended and reenacted to read as follows:

"4-4.104 RECYCLED WATER TEMPORARY SERVICE RATES

(a) A monthly readiness to serve charge shall be paid for each temporary meter to offset the cost of providing facilities to serve the customer and shall be paid following the installation of the meter and regardless of whether the customer takes delivery of water or not. Temporary potable water meter charges are calculated by multiplying the potable rate for the same size meter in Section 4-4.102 by 1.5.

(b) The monthly volume charge for recycled water delivered through temporary meters shall be 150% of the Tier 4 recycled water rates for the site where the temporary meter is connected.

(c) An installation fee of \$50.00 shall be paid prior to installation of the temporary meter by district staff. In addition, a meter deposit of \$500.00 for a 1" meter or \$1,500.00 for a 2-1/2" meter shall be required prior to installation of the meter. Such meter deposit will be refunded, net any costs incurred by the district relative to the temporary meter. For meters larger than 2-1/2", the deposit shall be 2 times the cost of the meter.

(d) Prior to the installation of the temporary meter, the customer shall be required to pay a deposit in an amount sufficient to guarantee the payment of twelve months of water bills as estimated by the General Manager. Such deposit will be refunded, net any costs unpaid to the district for recycled water usage."

SECTION 8: Amendment. Section 5-4.102 of Resolution No. 2468 is hereby amended and reenacted to read as follows:

"5-4.102 RESIDENTIAL SERVICE CHARGES

(a) Each sanitation customer assigned to the Single and Multi-Family Class shall pay a monthly service charge to offset the cost of collection, treatment, and disposal of sewage and administrative cost.

(b) The service charge shall be based on the number of persons per household as follows:

Number of Persons	Commencing with meter reads on or after:				
	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
1	\$21.37	\$21.82	\$22.27	\$22.73	\$23.19
2	35.75	36.51	37.27	38.04	38.81
3	50.13	51.20	52.27	53.35	54.43
4	64.51	65.89	67.27	68.66	70.05
5	78.90	80.58	82.27	83.97	85.66
6 or more	93.28	95.27	97.27	99.28	101.28

SECTION 9: Amendment. Section 5-4.103 of Resolution No. 2468 is hereby amended and reenacted to read as follows:

"5-4.103 NON-RESIDENTIAL SERVICE CHARGES

(a) Each non-residential sewer customer shall pay a monthly account charge to offset the cost of administering the customer's account as follows:

Commencing with meter reads on or after:				
1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
\$6.98	\$7.12	\$7.27	\$7.42	\$7.57

(b) The monthly service charge for non-residential developments shall be based upon the quality and quantity of water reaching the sewer as follows:


		Commencing with meter reads on or after:				
		1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Inclusive of hcf/ERU		ERU Charges				
6.6	Class 1	\$41.94	\$42.78	\$43.64	\$44.52	\$45.42
6.6	Class 2	\$57.82	\$58.98	\$60.16	\$61.37	\$62.60
6.6	Class 3	\$76.56	\$78.10	\$79.67	\$81.27	\$82.90
6.6	Class 4	\$96.36	\$98.29	\$100.26	\$102.27	\$104.32
Excess hcf/ERU		Excess ERU (\$/hcf)				
6.6	Class 1	\$6.35	\$6.48	\$6.61	\$6.75	\$6.89
6.6	Class 2	\$8.75	\$8.93	\$9.11	\$9.30	\$9.49
6.6	Class 3	\$11.58	\$11.82	\$12.06	\$12.31	\$12.56
6.6	Class 4	\$14.58	\$14.88	\$15.18	\$15.49	\$15.80

SECTION 10: Effective Dates.


A. Commencing upon January 1, 2016, and on January 1 of each fiscal year thereafter, and pursuant to Government Code section 53756, fees established by this resolution shall be adjusted, following notice as required by law, to incorporate and pass through wholesale water rate increases imposed by the Metropolitan Water District.

B. This resolution is effective January 1, 2016, and applies to potable and recycled water sold, and sanitation services rendered after this date.

PASSED, APPROVED, AND ADOPTED on October 26, 2015.

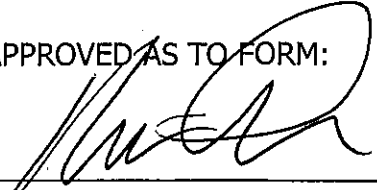

Glen Peterson, President

ATTEST:


Charles Caspary, Secretary

(SEAL)

APPROVED AS TO FORM:


W. Keith Lemieux, District Counsel