

RESOLUTION NO. 2286

RESOLUTION OF THE BOARD OF DIRECTORS OF MONTECITO WATER DISTRICT ADOPTING WATER RATES AND CHARGES

WHEREAS, Ordinance No. 82, adopted by the Board on July 20, 1999, establishes water user classifications and provides, among other things, that the Board may establish from time to time, certain fees, rates and charges for its customers; and

WHEREAS, Ordinance No. 90, adopted by the Board on August 20, 2008, amends Ordinance 82 and clarifies water use classifications; and

WHEREAS, on June 25, 2020, the Board adopted Resolution No. 2200, which established such water rates, fees and charges for Fiscal Years ending June 30, 2021, through 2025; and

WHEREAS, at the request of the District, Raftelis, an independent financial consulting firm specializing in cost of services analyses and rate setting, has prepared a financial plan, which determines rate-based revenue increases required to meet annual expenses, cash reserve targets, debt service and a proposed annual capital outlay for the Fiscal Years ending 2025 through 2029; and

WHEREAS, at the request of the District, Raftelis has prepared a water cost of service analysis, which determines a fair, proportional and equitable rate structure for the District's customer classes, based upon budgeted costs and actual and estimated customer demand characteristics; and

WHEREAS, Raftelis has prepared a Water Rate Study dated May 1, 2024, which combines the rate-based revenue requirements of the financial plan with the recommended rate structure of the water cost of service analysis to determine proposed water usage rates, monthly meter service charges and monthly private fire line charges by customer classification ("Proposed Rates"); and

WHEREAS, on June 25, 2024, the Board held a full and fair public hearing on the proposed rate increase. At the hearing, all interested persons had an opportunity to provide oral and written testimony regarding the proposed rate increases; and

WHEREAS, in accordance with the requirements of Section 6 of Article XIID of the California Constitution and Government Code section 53755, the June 25, 2024, public hearing was held not less than 45 days after mailing notice of the hearing to the District's customers of record; and

WHEREAS, the District accepted and caused the tabulation of all written protests against the proposed rate increase received prior to the conclusion of the public comment portion of the Public Hearing in accordance with Government Code section 53755 and District Resolution 2274.

Based upon the results of this tabulation, a majority protest against the proposed rate increases did not exist; and

WHEREAS, based on the information presented at the June 25, 2024, public hearing, including but not limited to the financial plan, water cost of service analysis, the Water Rate Study, and oral and written testimony and protests from members of the public, the Board determines that:

- A. Revenues derived from the proposed rates are not expected to exceed the funds required to provide water service.
- B. Revenues derived from the proposed rates may not be used for any purpose other than to provide water service.
- C. The amount of the proposed rates imposed upon any parcel or person as an incident of property ownership will not exceed the proportional cost of water service attributable to the parcel.
- D. The proposed rates are imposed upon a parcel only where water service is actually used by, or immediately available to, the parcel.

WHEREAS, this resolution does not constitute a project under the California Environmental Quality Act ("CEQA") Guidelines as set forth in Title 14, section 15378 of the California Code of Regulations, because it amends a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (§ 15378(b)(4)) and is an administrative activity of government that will not result in direct or indirect physical changes in the environment (§15378(b)(5)). Furthermore, if this resolution were a project, it would be categorically exempt from CEQA pursuant to Title 14, Section 15273(a) of the California Code of Regulations, because it establishes rates and charges to fund current operating expenses of the District; and

WHEREAS, the Board now finds it necessary to adopt new rates and charges to serve the purposes discussed in the financial plan, consistent with the classifications established in Ordinance No. 90 and pursuant to its authority under Ordinance No. 82 to adopt new fees, rates and charges, and in accordance with authority granted by Water Code Section 30523 to act by ordinance, resolution or motion;

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

Section 1: Repeal

Resolution No. 2200 is hereby repealed in its entirety and shall have no further force or effect as of the effective date of this Resolution.

Section 2: New Rates and Charges

District water rates and charges are hereby established as follows, with all terms as defined and described in Ordinance No. 90.

Section 2.1: Water Rates: The water usage rates per hundred cubic feet ("HCF") by customer classification are as follows:

A Line	B Water Usage Rates (\$/HCF)	C Monthly Tiers (HCF)	D FY 2025	E FY 2026	F FY 2027	G FY 2028	H FY 2029
1	Residential						
2	Tier 1	0-9	\$6.09	\$6.45	\$6.83	\$7.23	\$7.65
3	Tier 2	10-35	\$13.01	\$13.76	\$14.56	\$15.40	\$16.29
4	Tier 3	35+	\$15.38	\$16.27	\$17.21	\$18.20	\$19.25
5	Commercial		\$11.15	\$11.80	\$12.48	\$13.20	\$13.96
6	Institutional		\$11.76	\$12.44	\$13.16	\$13.92	\$14.73
7	Agriculture		\$5.46	\$5.78	\$6.12	\$6.48	\$6.86
8	Non-Potable		\$2.00	\$2.12	\$2.25	\$2.38	\$2.52

1. "DU" – dwelling unit
2. "HCF" – hundred cubic feet (1 HCF = 748.05 gallons)
3. Agricultural customers are allocated 9 HCF per month at Tier 1 residential rates for each DU. Water use above 9 HCF multiplied by the number of DUs is then billed at the Agriculture rate shown above.
4. "Residential" customer classification includes Single Family and Multi Family Residential uses as defined in Ordinance 90.

Section 2.2: Monthly Meter Charge: The monthly meter charge for each meter size is as follows:

A Line	B Meter Size	C FY 2025	D FY 2026	E FY 2027	F FY 2028	G FY 2029
1	3/4-inch	\$63.89	\$67.57	\$71.46	\$75.57	\$79.92
2	1-inch	\$104.80	\$110.83	\$117.21	\$123.95	\$131.08
3	1 1/2-inch	\$184.84	\$195.47	\$206.71	\$218.60	\$231.17
4	2-inch	\$291.56	\$308.33	\$326.06	\$344.81	\$364.64
5	3-inch	\$1,003.03	\$1,060.71	\$1,121.71	\$1,186.21	\$1,254.42
6	4-inch	\$1,963.51	\$2,076.42	\$2,195.82	\$2,322.08	\$2,455.60
7	6-inch	\$4,453.64	\$4,709.73	\$4,980.54	\$5,266.93	\$5,569.78

Section 2.3: Monthly Private Fire Charge: The monthly private fire charge for each fire line size is as follows:

A Line	B Fire Line Diameter	C FY 2025	D FY 2026	E FY 2027	F FY 2028	G FY 2029
1	2-inch	\$22.23	\$23.51	\$24.87	\$26.31	\$27.83
2	4-inch	\$101.41	\$107.25	\$113.42	\$119.95	\$126.85
3	6-inch	\$281.28	\$297.46	\$314.57	\$332.66	\$351.79
4	8-inch	\$591.52	\$625.54	\$661.51	\$699.55	\$739.78

Note: The Monthly Private Fire Line Charge applies to customers with dedicated fire lines serving their property and are based on fire line capacities.

Section 3: Reservation of Powers. Nothing in this Resolution shall prevent the District from exercising any of its powers under the California Water Code, including but not limited to its power to declare a water shortage emergency or a threat of water shortage and to adopt ordinances, resolutions, rules or regulations in response thereto.

Section 4: Recitals. Each of the matters set forth in the recitals of this Resolution is true and correct. All recitals constitute findings associated with the matters addressed in this Resolution.

Section 5: Severability. If any subdivision, paragraph, sentence, clause, or phrase of this Resolution is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this Resolution. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

Section 7: Effective Date. All rates and charges set forth in this Resolution shall become effective on July 1, 2024, and shall remain in effect until changed by the Board.

PASSED AND ADOPTED by the Governing Board of the Montecito Water District this 25th of June 2024 by the following roll call vote:

AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:

ABSTAIN:

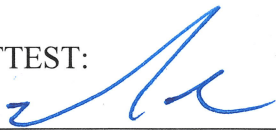
ABSENT:

APPROVED:



Kenneth Coates, Board President

ATTEST:



Nicholas Turner, Board Secretary