

**RESOLUTION NO. 2021-22**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT  
DETERMINING THAT THERE WAS NO MAJORITY PROTEST OF  
THE PROPOSED WATER RATE INCREASES AND  
ADOPTING A WATER RATE SCHEDULE  
AND SUPERCEDING EXISTING RATES**

**WHEREAS**, the Phelan Piñon Hills Community Services District ("District") is a Community Services District located within the County of San Bernardino and is organized and operates pursuant to the California Government Code Section 61000, et seq.; and

**WHEREAS**, pursuant to Resolution No. 2994 of the Local Agency Formation Commission of the County of San Bernardino ("LAFCO") adopted on March 18, 2008, the District is the successor agency to County Service Area 9, County Service Area 56 Improvement Zone F-1, and County Service Area 70 Improvement Zones L and P-4 ("the CSAs"); and

**WHEREAS**, prior to the adoption of LAFCO Resolution No. 2994, the territory within the CSAs was subject to water rates that had been established by the County of San Bernardino pursuant to ordinances and resolutions that had been adopted by its Board of Supervisors; and

**WHEREAS**, by minute action taken at its first meeting on March 19, 2008, the District's Board of Directors approved the continuation and extension of all previously authorized fees and charges that had been fixed, levied, and imposed as a condition of water service within the CSAs; and

**WHEREAS**, pursuant to Condition No. 6 of LAFCO Resolution No. 2994 and Section 61100(a) of the California Government Code, the District is authorized to supply water for any beneficial uses in the same manner as a municipal water district formed pursuant to California Water Code Section 71000; and

**WHEREAS**, under California Water Code Sections 71613-71617, a municipal water district is authorized to fix rates and charges for the water it delivers; and

**WHEREAS**, under California Water Code Section 61115(a), the District is authorized to establish rates or other charges for services and facilities that the District supplies and to provide for the collection and enforcement of those rates or charges; and

**WHEREAS**, the District has retained the services of a qualified firm, IB Consulting, Inc., to prepare the Water Rate Study dated October 15, 2021, that is attached hereto as Exhibit "A" and incorporated herein by this reference ("the Water Rate Study"); and

**WHEREAS**, the revenue raised by the District's rates and charges will be used to modify or construct additional public facilities and to procure additional sources of supply to provide adequate water services, and do not exceed the total cost of such facilities and services; and

**WHEREAS**, this action is necessary to meet the District's operating expenses, to purchase and/or lease supplies, equipment, and materials, to meet the District's financial reserve needs and requirements, and to obtain funds for capital projects necessary to maintain water service within the boundaries of the District, and is therefore exempt from the requirements of the California Environmental Quality Act as provided by Public Resources Code Section 21080(b)(8); and

**WHEREAS**, the amount of the rates and charges hereby adopted do not exceed the reasonable anticipated costs for the corresponding services provided by the District, and therefore the fees imposed hereby do not qualify as a "tax" under Article XIII C, Section 1(e) of the California Constitution or Section 50076 of the California Government Code, and the actions taken herein are exempt from the additional notice and public meeting requirements of the Brown Act pursuant to Government Code Section 54954.6(a)(1)(A) and (B); and

**WHEREAS**, the District has satisfied all of the substantive and procedural prerequisites of Articles XIII C and XIII D of the California Constitution in establishing the rates and charges set forth herein, including but not limited to, the identification of the parcels upon which the rates and charges will be imposed; the calculation of the rates and charges; the mailing of written notice to the record owners of each parcel upon which the rates and charges will be imposed describing the amount thereof, the basis upon which the rates and charges were calculated, the reason for the rates and charges, and the date, time, and location of the public hearing to be held thereon; and the conducting of a public hearing on the rates and charges not less than 45 days after mailing the notice during which all protests against the fee were considered.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Phelan Pinon Hills Community Services District does hereby resolve and determine that the written protests against the rates and charges set forth herein that were received by the District prior to the close of the public hearing hereon represented less than a majority of the parcels subject to the rates and charges set forth below and, thus, the District's Board of Directors further finds that the public interest and necessity requires the adoption of the content and findings of the Water Rate Study and the following rates and charges for water service by the District, as well as affirmation and ratification of all prior rates and charges previously adopted by the District's Board of Directors:

#### **SECTION 1. WATER SERVICE CHARGE**

The proposed rates are based upon the revenue required to operate the system and are comprised of two basic components – a Meter Charge (fixed monthly charge) and Commodity Charges (based on water usage). The projected revenue is based on reviewing historical volumetric usage (consumption), and setting water demand at FY 2021 usage.

A. The Meter Charge is calculated to recover a portion of the fixed costs of providing water service, including billing and customer service, with costs allocated based on the size of a customer's water meter and the number of accounts. In addition, a fixed monthly charge per bill to recover the costs associated with addressing the Chromium-6 requirements will remain at the current rate equal to \$9.71.

B. The Commodity Charge is based on usage and recovers costs associated with the delivery of water. The Commodity Charge consists of three tiers which will impose higher rates per unit of water (measured in hundreds of cubic feet, or CCF / HCF) as the level of consumption increases. The Tier 1 allotment, equal to 9 CCF, is based on the State's indoor water

efficiency standards of 55 gallons per capita per day, rounded up to the next whole water unit. The Tier 2 allotment, equal to 20 CCF, covers the average amount of water needed to serve the typical single-family home. Tier 3 captures any usage over Tier 2, and covers a proportionate share of costs for the increase in water usage and peaking on the system. It also pays for supplemental water costs to serve demand in the highest tier. The District will annually review revenues and expenditures for the water fund to ensure that sufficient and appropriate revenues are collected to effectively provide for the short and long-term water service needs of the community. Collectively, the proposed rates recover the proportionate share of cost for providing water service to each parcel.

## **SECTION 2. GENERAL MANAGER AUTHORITY**

The District's General Manager is hereby authorized to take any and all actions necessary to carry out the intent of the District's Board of Directors as is stated herein and as otherwise required in order to comply with applicable law.

## **SECTION 3. EFFECTIVE DATE**

This Resolution shall take effect immediately upon adoption and shall supersede Resolution No. 2020-04 adopted by the Board on May 5, 2020.

**ADOPTED** by the Board of Directors of the Phelan Piñon Hills Community Services District at a regular meeting held on December 1, 2021, by the following vote:

AYES: Hoffman, Johnson, Kujawa, Philips, Roberts  
NOES:  
ABSENT:  
ABSTAIN:

  
\_\_\_\_\_  
President, Board of Directors

Attest:

  
\_\_\_\_\_  
Secretary, Board of Directors