

RESOLUTION NO. 2016-01

**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, Willdan Financial Services, to prepare the Water Rate Study dated November 30, 2015, 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 to not qualify as a “tax” under Article XIIC, 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 XIIC and XIID 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

A. The fixed rate component of the District’s water service charge is the monthly charge per meter applicable to all metered water services and is comprised of the monthly meter charge and the monthly Chromium 6 surcharge. The charges, which vary by meter size, is hereby established in the maximum amounts listed in Exhibit “B” attached hereto and incorporated herein by this reference, but said increases shall be phased in periodically in accordance with the schedule set forth therein. During that time, the District’s Board of Directors will determine the amount of revenue required during the budget process each year and will continue to look for cost saving opportunities and revenue resources in an effort to potentially reduce or suspend implementation of said increases, which shall not exceed the District’s cost of providing the services described herein.

B. The consumption rate component of the District’s water service charge is the monthly flow charge calculated based upon the volume of usage for all metered water services. The charge, which varies based upon the amount of consumption, is hereby established in the maximum amounts listed in Exhibit “C” attached hereto and incorporated herein by this reference, but said increases shall be phased in periodically in accordance with the schedule set forth therein. During that time, the District’s Board of Directors will determine the amount of revenue required during the budget process each year and will continue to look for cost saving opportunities and revenue resources in an effort to potentially reduce or suspend implementation of said increases, which shall not exceed the District’s cost of providing the services described herein.

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. 2013-01 adopted by the Board on February 20, 2013.

ADOPTED by the Board of Directors of the Phelan Piñon Hills Community Services District at a regular meeting held on January 20, 2016, by the following vote:

AYES:	Brandon, Morrissette, Roberts, Whalen
NOES:	Pace
ABSENT:	NONE
ABSTAIN:	NONE

President, Board of Directors

Attest:

Secretary, Board of Directors