

OLIVEHURST PUBLIC UTILITY DISTRICT

RESOLUTION NO. 2300

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OLIVEHURST PUBLIC UTILITY DISTRICT, FOLLOWING PUBLIC HEARING,
PROVIDING FOR DROUGHT EMERGENCY WATER SERVICE SURCHARGES AND
THE ADOPTION OF A TIERED DROUGHT EMERGENCY WATER RATE SYSTEM**

WHEREAS, the Olivehurst Public Utility District ("District") owns and operates a Domestic Water System which operates under permits issued by the California State Water Resources Control Board; and

WHEREAS, the Board of Directors, pursuant to Water Code sections 375, et seq. and OPUD's 2010 Urban Water Management Plan and Public Utilities Code section 16461, on May 21, 2015, adopted Resolution 2292, declaring the existence of a Drought Emergency within the boundaries of the District and, resolved that the Board may therefore adopt mandatory restrictions and prohibitions on the delivery and consumption of water within the service area so that the water supply can be conserved for the greater public benefit; and,

WHEREAS, in connection with the fiscal impact of the ongoing drought emergency on the operating budget of the water system, the Board has commissioned a study by Bartle Wells and Associates related to the costs of services provided by said system, and the drought surcharges sufficient to offset the loss of revenue due to decreased water sales and provide for the proper operation and maintenance thereof (hereafter "the Rate Study"); and,

WHEREAS, at a regular public meeting duly called and agendized on August 20, 2015, the Board did review and take public comment on the Rate Study and at the regular public meeting duly called and agendized on August 20, 2015, did adopt said study as representing the independent opinion of the Board of Directors and authorized the drought surcharges recommended therein subject to the notice and hearing requirements of California Constitution, Article XIII D; and

WHEREAS, the Board of Directors, in accordance with Article XIII D, Section 6, of the California Constitution, on August 31, 2015, caused notice to the landowners affected by said surcharges to be given by regular mail to the record owner of each identified parcel upon which the surcharges are proposed for imposition, notifying them of the proposed charges, the basis for calculation thereof, the reason for the implementation, and the date, time, and place of a public hearing, at least 45 days thereafter, where such surcharge would be considered; and

WHEREAS, at a public hearing duly called and agendized, on October 15, 2015, the Board did conduct a public hearing, and considered written and oral protests submitted in connection with said implementation of surcharges; and

WHEREAS, the Board finds that written protests submitted and not withdrawn by the close of the public hearing do not represent a majority of the owners of the identified parcels;

and,

WHEREAS, the Board finds that the surcharges described in Exhibit A, attached hereto, are required to meet the ongoing and reasonably anticipated operational expenses of the District, including meeting its reasonable financial reserve requirements of the District and are further needed to secure funds as reasonably necessary to operate, maintain, repair and replace the facilities installed to provide water services within the District and are therefore exempt from the requirements of the California Environmental Quality Act in accordance with Public Resources Code Section 21080(b)(8)(C) and (D); and,

WHEREAS, the Board finds that revenues from the proposed surcharges shall not exceed the funds required to provide water services; that revenues from the proposed surcharges shall be used in accordance with the Rate Study and shall not be used for any other purpose other than those purposes for which they were imposed; and the amount of the proposed surcharges for water services shall not exceed the proportional cost of the services attributable to the parcels on which the increases will be imposed.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Olivehurst Public Utility District that the Drought Emergency Water Sewer Service Surcharges, described in Exhibit A, attached hereto and incorporated herein, are hereby approved and authorized as the fees and charges of the District, effective with the first charge for service commencing on and after November 1, 2015.

BE IT FURTHER RESOLVED that the Board does find that establishment of the water service surcharges described in Exhibit A is exempt from the provisions of the California Environmental Quality Act under Section 21080(b) of the California Public Resource Code.

FURTHERMORE, BE IT FURTHER RESOLVED that the Board of Directors of OPUD hereby directs staff to perform the following:
If the State Water Resources Control Board takes any formal action to reduce the mandatory conservation requirements currently adopted through emergency regulations, an item will be placed on the first subsequent OPUD Board meeting agenda to allow the OPUD Board to consider reducing the surcharge.

PASSED AND ADOPTED this 15th Day of October, 2015.

OLIVEHURST PUBLIC UTILITY DISTRICT

Dennis Burbank

President, Board of Directors

ATTEST:

Elizabeth Mallen

District Clerk & ex-officio Secretary

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

Devide [Signature]

Legal Counsel

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I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted and passed by the Board of Directors of the Olivehurst Public Utility District, Yuba County, California, at a meeting thereof held on the 15th day of October, 2015, by the following vote:

AYES, AND IN FAVOR THEREOF:	Director Carpenter, Burbank, Floe, and Bradford.
NOES :	None.
ABSTAIN :	None.
ABSENT :	None.

Elizabeth Mallen

District Clerk & ex-officio Secretary

EXHIBIT A

OLIVEHURST PUBLIC UTILITY DISTRICT TARIFF OF WATER SURCHARGES (Effective 10/15/2015)

On 10/15/15, the Olivehurst Public Utility District Board of Directors adopted a Water Demand Reduction Target of Stage 1: 20%.

Proposed Maximum Emergency Drought Water Rates					
<i>Usage Charges Billed Based on Metered Water Consumption for Metered Accounts</i>					
Water Demand Reduction Target (From Baseline: June 2013 - May 2014 Metered Use)	STAGE 1 20%	STAGE 2 30%	STAGE 3 40%	STAGE 4 50%	
2015 EMERGENCY DROUGHT WATER RATES: Effective on or after 11/01/2015 (\$/ccf)*					
Emergency Drought Water Rate Surcharges per ccf					
<u>3/4" Meters</u>	<u>Water Use in Tier</u>				
Tier 1	0 - 12 ccf	\$0.00	\$0.20	\$0.50	\$0.90
Tier 2	13 - 30 ccf	0.30	0.50	0.90	1.40
Tier 3	Over 30 ccf	0.70	0.80	1.40	2.20
<u>1" and Larger Meters</u>					
All Water Use	0.21	0.39	0.72	1.10	
2016 EMERGENCY DROUGHT WATER RATES: Effective on or after 01/01/2016 (\$/ccf)*					
Emergency Drought Water Rate Surcharges per ccf					
<u>3/4" Meters</u>	<u>Water Use in Tier</u>				
Tier 1	0 - 9 ccf	\$0.00	\$0.25	\$0.50	\$0.95
Tier 2	10 - 30 ccf	0.30	0.50	1.00	1.45
Tier 3	Over 30 ccf	0.70	0.80	1.45	2.45
<u>1" and Larger Meters</u>					
All Water Use	0.25	0.45	0.82	1.24	
2017 EMERGENCY DROUGHT WATER RATES: Effective on or after 01/01/2017 (\$/ccf)*					
Emergency Drought Water Rate Surcharges per ccf					
<u>3/4" Meters</u>	<u>Water Use in Tier</u>				
Tier 1	0 - 6 ccf	\$0.00	\$0.30	\$0.60	\$1.00
Tier 2	7 - 30 ccf	0.30	0.55	0.95	1.50
Tier 3	Over 30 ccf	0.70	0.80	1.60	2.50
<u>1" and Larger Meters</u>					
All Water Use	0.28	0.50	0.90	1.37	

* 1 ccf = one hundred cubic feet or approximately 748 gallons.

Proposed Maximum Emergency Drought Water Rates			
<i>Fixed Monthly Surcharge for Flat Rate Accounts (Without Meters)</i>			
Water Demand Reduction Target (From Baseline: June 2013 - May 2014 Metered Use)	STAGE 2 30%	STAGE 3 40%	STAGE 4 50%
Flat Monthly Drought Water Rate Surcharge			
3/4" Service	\$0.37	\$2.28	\$3.10
1" Service	0.56	3.50	4.76
1-1/2" Service	0.85	5.31	7.22
2" Service	1.22	7.65	10.40
3" Service	2.55	15.92	21.66
4" and Larger Service	3.57	22.29	30.31

Flat Rate Accounts without meters would be billed fixed monthly drought surcharges based on the size of water service. It is important to note that the surcharges for Flat Rate Accounts do not need to make-up for lost revenues due to conservation since these accounts pay the a fixed monthly charge regardless of the level of conservation.