

ORDINANCE NO. 18-15

**ORDINANCE OF THE RAINBOW MUNICIPAL WATER DISTRICT
REVISING APPENDIX A OF THE RULES AND REGULATIONS
REGARDING WASTEWATER SERVICE CHARGES
FOR COMMERCIAL WITH IRRIGATION ACCOUNTS ONLY**

WHEREAS, the Rainbow Municipal Water District (“RMWD” or the “District”) Board of Directors is committed to providing reliable, high-quality water services at the most efficient costs for our ratepayers; and

WHEREAS, to meet this commitment, the District undertook an evaluation of the infrastructure needs, programs, and operations and maintenance costs of its water and wastewater services for the ensuing five fiscal years; and

WHEREAS, on or around August 2017, the District retained Raftelis Financial Consultants (“RFC”), an industry-leading third party rate and fee public finance consultant, to develop a financial plan, perform a cost of service study, and develop rates that support and optimize a blend of various utility objectives, such as affordability for essential needs, revenue sufficiency and stability, drought conditions, and ease of implementation, as well as ensure compliance with California Constitution Article XIII D, section 6 (“Proposition 218”); and

WHEREAS, between August 2017 and January 2018, the District held a series of meetings with staff and the District Budget and Finance Committee to discuss the RFC study and details regarding the proposed water and wastewater rate increases, which meetings were publicly noticed and open to the public; and

WHEREAS, the District Board of Directors reviewed and heard presentations on the proposed rate changes at a regular board meeting on the special meeting held on January 10, 2018, and were presented with RFC’s 2018 Water and Wastewater Financial Plan and Cost of Service Rates Executive Summary, which presentation slides and Executive Summary were thereafter made available to the public on RMWD’s website; and

WHEREAS, the final RFC 2018 Water Financial Plan and Cost of Service Rates Report was published on RWMD’s website on January 2018 for the public’s consumption; and

WHEREAS, at this point in time, based on the RFC’s recommendations and findings, together with all prior public meetings, staff reports and presentations, the Board of Directors of the RMWD hereby desires to adjust certain rates related to wastewater service for commercial with irrigation class only; and

WHEREAS, the Board of Directors is provided authority to establish rates and charges by California Water Code §71616 and §71670; and

WHEREAS, Proposition 218 requires that prior to imposing any increase to the water service rates, 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 "Public Hearing") on the proposed rates and charges; and

WHEREAS, pursuant to Proposition 218, 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 Public Hearing on the proposed rates and charges; and

WHEREAS, the District did provide such timely Notice of the Public Hearing to the affected property owners and tenants of the proposed water service rate increases in compliance with Proposition 218 on or before January 12, 2018, and the District's Notice set forth a procedure by which property owners and tenants may submit written protests to the proposed water service fee increase; and

WHEREAS, the Public Hearing was held at the duly noticed public meeting on February 27, 2018; and

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

WHEREAS, by adopting this Ordinance, the District Board of Directors hereby desires to adopt and revise the rates for the wastewater services for commercial with irrigation class only as set forth below; and

WHEREAS, the wastewater rates for commercial with irrigation accounts will be adjusted effective with all bills issued for service that occurs on or after July 1, 2018.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Rainbow Municipal Water District as follows:

SECTION 1: The District Board of Directors finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein.

SECTION 2: The District Board of Directors hereby finds that the administration, operation, maintenance, and improvements of the water system, which are to be funded by the water and wastewater service rates set forth herein, are necessary to maintain service within the District's existing service area. The District Board of Directors further finds that such water service rates are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the water system. More specifically, the changes in rates and charges established by this Ordinance are for the purposes of (a) meeting operating expenses, including employee wages and benefits, (b) purchasing and leasing of supplies, equipment and materials, (c) meeting financial reserve needs and requirements as set forth in the District Budget, and (d) passing through wholesale water rates charged by the

San Diego County Water Authority and the Metropolitan Water District of Southern California. Based on these findings, the District Board of Directors hereby determines that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA).

SECTION 3: Based on RFC's recommendations and findings, together with all prior public meetings, staff reports, recommendations and presentations, as well as all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases for water services presented to the Board of Directors before the close of the duly noticed Public Hearing, the District Board of Directors hereby finds and determines that the proposed rates for water service comply substantively with Proposition 218 for the following reasons:

- a) The revenues derived from the service rates do not exceed the funds required to provide services;
- b) The revenues derived from the service rates will not be used for any purpose other than that for which the fee is being imposed;
- c) The service rates do not exceed the proportional cost of the services attributable to each parcel upon which they are imposed;
- d) The service rates will not be imposed on a parcel unless the services are actually used by, or immediately available to, the owner of the parcel; and
- e) The service rates will not be imposed for general governmental services, such as police, fire, ambulance, or libraries, where service is available to the public in substantially the same manner as it is to property owners and tenants.

SECTION 4: Effective July 1, 2018, the District Board of Directors hereby adopts and implements the rates for the District's water services as set forth in the "Revised Appendix A" attached hereto as **Exhibit 1**, entitled "Water and Sewer Rates and Charges – Effective July 1, 2018 – December 31, 2022". Exhibit 1 hereby replaces in its entirety former Appendix A to the District Rules and Regulations. The rates and charges set forth in Exhibit 1 shall be applicable to all water use and other charges billed on or after July 1, 2018.

SECTION 5: Through this Ordinance, and as set forth in Exhibit 1, the District's Rules and Regulations are hereby being amended to include the following provisions:

PROSPECTIVE ANNUAL RATE INCREASES VIA PASS THROUGH CHARGES FOR WATER AND WASTEWATER

To avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply, the District will pass through to its customers: (1) any increases in the rates of the SDCWA Fixed Charges imposed on the District by SDCWA (an "SDCWA Fixed Pass Through"); (2) any future charges and any rate increases to any other existing charges, including imported water charges, that are imposed on the District by SDCWA (a "SDCWA Pass Through"); and The foregoing are collectively referred to in this notice as "Pass Through Increases."

Any SDCWA Fixed Pass Through will only impact the rates of the SDCWA Fixed Charges. The District may annually implement the Pass Through Increases for a five-year period commencing March 1, 2018, through December 31, 2022, provided, however, that (1) any increase to the rates described above as a result of any SDCWA Pass Through, and (2) in no event shall such rates be increased by more than the cost of providing service.

SECTION 6: The District Board of Directors hereby authorizes and directs the District General Manager to (a) implement and take all actions necessary to effectuate the rates for services as set forth herein and in Exhibit 1; (b) annually amend, with the Board's prior approval, the District's Service Rates July 1, 2018 and each January 1 thereafter, beginning March 1, 2018 through December 31, 2022, to include the Pass Through Increases set forth herein and in Exhibit 1; and (c) file a Notice of Exemption with the County Clerk for San Diego County within five (5) working days of the date of the adoption of this Ordinance.

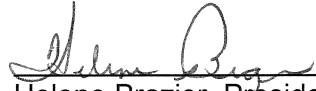
SECTION 7: If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The District Board of Directors hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

SECTION 8: This Ordinance shall supersede all other previous District Board of Directors resolutions and ordinances that may conflict with, or be contrary to, this Ordinance.

SECTION 9: This Ordinance amends Ordinance 18-04 dated February 27, 2018 as of July 1, 2018; the rates prescribed by Ordinance 18-04 shall remain in effect through June 30, 2018.

PASSED AND ADOPTED at a meeting of the Board of Directors of Rainbow Municipal Water District held on the 26th day of June 2018 by the following roll call vote:

AYES: Directors Brazier, Gasca, Hamilton, Mack, and Stewart
NOES: None
ABSTAIN: None
ABSENT: None



Helene Brazier, President Board of Directors

ATTEST:


Dawn Washburn, Board Secretary

RAINBOW MUNICIPAL WATER DISTRICT

Appendix A

Water and Sewer Rates and Charges

EFFECTIVE March 1, 2018

Adopted by Ordinance No. 18-15

(***) Denotes Change from Previous Schedule

WATER COMMODITY CHARGE

A. BASIC COMMODITY CHARGE

(Basic rate for all water delivered through the water meter)

1 Unit = 748 Gallons = 100 cubic feet (cf)

<u>Service Category</u>	<u>Water Rate</u>
Single Family Residential– first 10 units each month	\$3.64 / 100 cf
Single Family Residential – 11 -26 Units each month.	\$3.86 / 100 cf
Single Family Residential – Over 26 Units each month.	\$4.27 / 100 cf
Multi-Family Residential – all units	\$3.76 / 100 cf
Commercial – all units	\$3.89 / 100 cf
Agricultural w/ Residence– first 10 units each month	\$3.64 / 100 cf
Agricultural w/ Residence – 11 -26 Units each month.	\$3.86 / 100 cf
Agricultural w/ Residence – Over 26 Units each month.	\$3.56 / 100 cf
Agricultural w/o Residence – all units	\$3.56 / 100 cf
Institutional – all units	\$3.98 / 100 cf
Construction – all units	\$4.87 / 100 cf
Transitional Special Agricultural Water Rates (TSAWR)	
TSAWR Domestic - first 10 units each month	\$3.70 / 100 cf
TSAWR Domestic – 11 to 26 units each month	\$3.92 / 100 cf
TSAWR Domestic – Over 26 units each month	\$3.04 / 100 cf
TSAWR Commercial – all units	\$3.04 / 100 cf

B. PUMPING ZONE CHARGES

<u>Service Area</u>	<u>Amount</u>
Monthly fixed charge for all zones	\$9.24 per meter
1 - Rainbow Heights	\$1.03 / 100 cf
2 - Improvement District U-1	\$0.64 / 100 cf
3 - Vallecitos	\$0.36 / 100 cf
4 - Northside	\$0.13 / 100 cf
5 - Morro	\$0.19 / 100 cf
6 - Huntley	\$0.75 / 100 cf
7 - Magee	\$3.37 / 100 cf

C. WATER ALLOCATION PENALTY RATES

The Water Allocation Penalty charges shall apply only to TSAWR customers in the event that the San Diego County Water Authority (SDCWA) establishes mandatory TSAWR allocation cutbacks. During a TSAWR allocation, SDCWA will establish an allocation reduction percentage. Each TSAWR customer will be issued a baseline allocation that is calculated from a base year defined by SDCWA and this allocation will be reduced by the SDCWA defined reduction percentage.

A penalty of \$3.31 per unit will be charged to TSAWR customers who use greater than their reduced allocation but less than their baseline allocation. A penalty of \$6.62 per unit will be charged to TSAWR customers who use more than their baseline allocation.

FIXED ACCOUNT CHARGES

A. METER SERVICES CHARGES

RMWD Monthly Fixed O&M Charges for Single Family Residential, Multi-Family Residential, Commercial, and Institutional

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 29.28
3/4 "	\$ 29.28
1"	\$ 45.74
1 1/2"	\$ 86.85
2"	\$ 136.19
3"	\$ 292.42
4"	\$ 522.68
6"	\$ 1,073.62

NOTE: Locked or sealed meters are assessed a charge equal to the above monthly charge for the appropriate sized meter.

RMWD Monthly Fixed O&M Charges for Agricultural w/Residence, Agricultural w/o residence, TSAWR Domestic, and TSAWR Commercial

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 53.19
3/4 "	\$ 53.19
1"	\$ 85.55
1 1/2"	\$ 166.50
2"	\$ 263.64
3"	\$ 571.22
4"	\$ 1,024.52
6"	\$ 2,109.15

NOTE: Locked or sealed meters are assessed a charge equal to the above monthly charge for the appropriate sized meter.

SDCWA Fixed Pass Through Charges

Charge is assessed by the San Diego County Water Authority and passed through directly by RMWD to all meter customers. These charges are in addition to RMWD Monthly Fixed O&M Charges

Monthly SDCWA Fixed Pass Through Charge for Single Family Residential, Multi-Family Residential, Agricultural w/ residence, Agricultural w/o Residence, Commercial, and Institutional

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 32.18
3/4 "	\$ 32.18
1"	\$ 53.63
1 1/2"	\$ 107.27
2"	\$ 171.63
3"	\$ 375.43
4"	\$ 675.78
6"	\$ 1,394.47

Monthly SDCWA Fixed Pass Through Charge for TSAWR Domestic, and TSAWR Commercial

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 14.82
3/4 "	\$ 14.82
1"	\$ 24.70
1 1/2"	\$ 49.39
2"	\$ 79.03
3"	\$ 172.88
4"	\$ 311.18
6"	\$ 642.12

B. OTHER FIXED ACCOUNT CHARGES

(Additional charges added to the basic meter service charge to reflect other special service conditions.)

Backflow device annual inspection fee

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 4.81
3/4 "	\$ 4.81
1"	\$ 4.81
1 1/2"	\$ 4.81
2"	\$ 4.81
3"	\$ 8.14
4"	\$ 8.14
6"	\$ 8.14

<u>Service Conditions</u>	<u>Monthly Charge</u>
Bypass Meter (for detector check systems) or Fire Service Only Meters	\$10.00
Fire Standby Charge (Vista Valley Area) (Applicable to properties under the jurisdiction of the Vista Fire Department. See Resolution No. 85-24)	\$ 5.00
Fire Standby Charge (All Other Areas)	\$ 5.00

MISCELLANEOUS CHARGES

A. CONSTRUCTION METERS

Deposit	\$1,825.00
Installation Fee	\$ 115.00
Relocation Fee	\$ 50.00
Meter Service Fee (3" O & M)	\$ 243.68
Water Commodity Charge	\$4.87 / 100 cf

B. OTHER CHARGES

Unpaid Bills (delinquency)	5% of unpaid balance-1st mo. 1 1/2% of unpaid balance per month thereafter.
Returned Check Charge	\$30.00
Tax Roll Fee (Accounts collected through SD County Assessor's Office)	\$45.00
48-hour Lock Off Notice	\$40.00
Service Turn-on Fee	\$50.00
After hours Turn-on-Fee	\$75.00
Cut Padlock Fee	\$22.00
Meter Testing Charge	\$ 50.00 (1" or smaller)
(testing for 3" and greater is outsourced)	\$ 71.00 (1 1/2" or 2") \$225.00 (3" or 4") \$225.00 (6")

WATER CAPACITY CHARGES

The SDCWA charge is collected by RMWD forwarded quarterly to the SDCWA.

Capacity fees list are for **residential only**, all other land use types will be calculated case by case based on the number of EDUs (equivalent dwelling unit).

<u>Capacity</u>	<u>Reference</u>	<u>Water Capacity</u>	<u>SDWCA</u>	<u>SDCWA Treatment</u>
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<u>Class</u>	<u>Meter Size</u>	<u>Charge</u>	<u>Fee</u>	<u>Charge</u>
A	5/8"	\$ 6,241	\$ 5,099	\$ 141
B	3/4"	\$ 10,401	\$ 5,099	\$ 141
C	1"	\$ 16,642	\$ 8,158	\$ 226
D	1 1/2"	\$ 27,043	\$ 15,297	\$ 423
E	2"	\$ 62,406	\$ 26,515	\$ 723
F	3"	\$ 124,812	\$ 48,950	\$ 1,354
G	4"	\$ 208,020	\$ 83,624	\$ 2,312

Lot size less than 5,000 sqft (0.11 acre) with de minimis irrigation of less than 1,000 sqft may qualify for a 5/8 inch meter.

Lot size less than 21,7880 sqft (0.5 acres) may qualify for a 3/4 inch meter.

For cases where demand qualifies for a smaller capacity meter, but requires a larger meter to meet fire flow requirements only, a meter one size larger may be installed and a monthly fire standby charge will be assessed. Written confirmation from the fire department is required.

SEWER CHARGES

A.

MONTHLY SERVICE CHARGE PER EQUIVALENT DWELLING UNIT (EDU)

Single Family	\$55.07/monthly
Multi-Family	\$40.51/monthly
Sewer Only	\$54.40/monthly
Commercial w/Irrigation	\$55.07/monthly

VARIABLE CHARGE PER HCF OF WATER

Commercial	\$6.67/HCF
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MONTHLY MINIMUM CHARGE

Commercial	\$40.51
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B. EDU description and basis for Sewer Capacity Charges

Single Family Residential, Apartment, Condominium, Duplex or Mobile home, Each Unit

Square Footage

≤1,250	0.8 EDU
1,251 to 2,000	1.0 EDU
2,001 to 3,000	1.2 EDU
3,001 to 4,500	1.5 EDU
4,501 to 6,000	2.0 EDU
>6,000	Case by Case

Motel or Hotel	
Each Living Unit with Kitchen	0.80 EDU
Each Living Unit without Kitchen	0.40 EDU
Commercial Business - Retail shop or Offices Equipped with Restroom, Up to 1,000 sf.	1.20 EDU
Commercial Business – Each additional 1,000 sf. of gross floor space or part thereof.	0.80 EDU
Automobile Service Stations	
A. Providing RV holding tank disposal station	2.00 EDU
B. Four (4) or under Gas Pumps	0.80 EDU
C. Over four (4) Gas Pumps	1.00 EDU
Church, Fraternal Lodge or similar auditorium for each unit of seating capacity for 200 persons.	1.0 EDU
Bakery	1.0 EDU
Theater - 200 seating capacity	1.40 EDU
Hospital - per bed	0.40 EDU
Convalescent Hospital - Boarding Home - per bed	0.40 EDU
Labor Camp, Per Bed	0.10 EDU
Mortuary	1.20 EDU
Car Wash	1.20 EDU
Grocery Store	1.20 EDU
Self Service Laundry - each washing machine	0.40 EDU
Swimming Pool - with restrooms	1.20 EDU
Spas - with restrooms	1.20 EDU
Country Clubs with common restroom facilities	1.20 EDU
Each additional shower unit, wash closet and/or fixture.	
Restaurant – Base (Using non-disposable tableware)	2.70 EDU
Per each seven (7) seats or part thereof	1.20 EDU
Restaurants—Base (Using disposable tableware)	1.20 EDU
Per each twenty-one (21) seats or part thereof	1.20 EDU

Schools (Public or Private)		
Elementary	Per each 60 students	1.20 EDU
Junior High School	Per each 40 students	1.20 EDU
High School	Per each 30 students	1.20 EDU

D. Sewer Capacity Charge \$14,126 per EDU

PROSPECTIVE ANNUAL RATE INCREASES VIA PASS THROUGH CHARGES FOR WATER

To avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply, the District will pass through to its customers: (1) any increases in the rates of the SDCWA Fixed Charges imposed on the District by SDCWA (an “SDCWA Fixed Pass Through”); (2) any future charges and any rate increases to any other existing charges, including imported water charges, that are imposed on the District by SDCWA (a “SDCWA Pass Through”); The foregoing are collectively referred to in this ordinance as “Pass Through Increases.”

Any SDCWA Fixed Pass Through will only impact the rates of the SDCWA Fixed Charges. The District may annually implement the Pass Through Increases for a five-year period commencing March 1, 2018, through December 31, 2022, provided, however, that (1) any increase to the rates described above as a result of any SDCWA Pass Through shall not exceed 15% per year and (2) in no event shall such rates be increased by more than the cost of providing service.

END