

**RESOLUTION NO. 2018-07**

**AMENDING RATE AND FEE SCHEDULE  
TO ADJUST RATES FOR ALL CUSTOMERS**

**PURISSIMA HILLS WATER DISTRICT**

WHEREAS, the District's Rate and Fee Schedule establishes the fees and charges for water and a variety of services provided by the District; and

WHEREAS, the District desires to increase certain rates to be collected by the District for the purpose of meeting expenses, debts, and expenditures as they become due; and

WHEREAS, California Water Code Section 31007 authorizes the District to establish rates and charges to yield an amount sufficient to pay operating expenses, to provide for repairs and depreciation of works owned and operated by the District, to pay interest on bonded debt, and to provide a fund to pay principal on bonded debt; and

WHEREAS, the District has determined that its water rates must be increased in order to carry out capital improvements necessary to preserve and improve the reliability of the water system, fund District operations and maintenance activities, and provide for adequate reserves; and

WHEREAS, on August 13, 2018, the Board of Directors held a special meeting which was noticed, agendized and open to the public, to evaluate the proposed modifications to the District's Rate and Fee Schedule and to hear comments from the public, and at which the Board set a public hearing to consider the proposed modified Rate and Fee Schedule for October 10, 2018; and

WHEREAS, the proposed rate increase was also agendized and discussed at the District's Board meetings on June 14, 2018, July 11, 2018, and August 8, 2018, each of which were open to members of the public; and

WHEREAS, the District's financial rate consultant, Bartle Wells Associates, prepared a Water Rate Study Update, which includes financial and rate recommendations to support the District's operating and capital funding needs for the next three years, keeps the rates aligned

with the cost of providing service, and confirms compliance with the requirements of Article 13D Section 6 of the California Constitution (hereafter "Proposition 218"). The Water Rate Study Update supplements and incorporates the 2015 Water Rate Study, which included a cost-based derivation of the District's tiered residential rates; and

WHEREAS, the Water Rate Study Update recommends the implementation of a pass-through of increases in wholesale water costs to District customers as authorized pursuant to Government Code section 53756; and

WHEREAS, pursuant to the requirements of Proposition 218, the District mailed a written notice with the date, time, and location for the public hearing regarding the proposed rate increase to all property owners and customers of the District at least 45 days prior to the public hearing; and also provided information regarding the procedures for submitting a written protest; and

WHEREAS, the District held the public hearing at the October 10, 2018, Board meeting and accepted comments and protests before and at the public hearing, and up through the conclusion of the public hearing; and

WHEREAS, the Board considered all comments and protests received; and

WHEREAS, the Board finds that the amendments to the Rate and Fee Schedule do not exceed the amount of the estimated costs required to provide the services for which the rates are levied, and do not exceed the proportional cost of service to each parcel; and

WHEREAS, the Board further finds that the amendments to the Rate and Fee Schedule are reasonable and required for the proper operation of the District, and are exempt from the requirements of the California Environmental Quality Act, pursuant to Section 21080(b)(8) of the Public Resources Code because it is for the purposes of (1) meeting operating expenses; (2) purchasing or leasing supplies; (3) meeting financial reserve requirements; and (4) obtaining funds for capital projects necessary to maintain services within existing service areas; and

WHEREAS, the rate study prepared by the financial rate consultant, including the cost of service analysis, is hereby incorporated into this Resolution.

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

A. Residential Water Consumption Charges. For all residential customers, the amount of the water consumption charges will be as follows (one unit is equal to 100 cubic feet of water, or approximately 748 gallons):

Tier	Units of Water Consumed Per Month	Current Rates	Rates as of November 1, 2018	Rates as of July 1, 2019	Rates as of July 1, 2020
1	1-10	\$ 5.01 per unit	\$5.21	\$5.42	\$5.64
2	11-30	\$ 6.52 per unit	\$6.78	\$7.05	\$7.33
3	31-60	\$ 8.46 per unit	\$8.80	\$9.15	\$9.52
4	61-100	\$ 10.39 per unit	\$10.81	\$11.24	\$11.69
5	over 100	\$ 12.33 per unit	\$12.82	\$13.33	\$13.86

B. Institutional Water Consumption Charges. For all institutional customers, the amount of water consumption charges will be as follows (one unit is equal to 100 cubic feet of water, or approximately 748 gallons):

Current Rate	Rate as of November 1, 2018	Rate as of July 1, 2019	Rate as of July 1, 2020
\$7.56 per unit	\$7.86	\$8.17	\$8.50

C. Monthly Readiness to Serve Charges. The following fixed monthly charges, billed based on meter sizes, will be as follows:

Meter Size	Current Rates	Rates as of November 1, 2018	Rates as of July 1, 2019	Rates as of July 1, 2020
3/4"	\$15.00	\$17.50	\$20.00	\$22.50
1"	\$24.50	\$28.60	\$32.70	\$36.80
1-1/2"	\$34.00	\$39.70	\$45.30	\$51.00
2"	\$49.00	\$57.20	\$65.30	\$73.50
3"	\$60.50	\$70.60	\$80.70	\$90.80
4"	\$112.00	\$130.70	\$149.30	\$168.00

D. Pass-Through Rate Increases. Pursuant to Government Code section 53756, the District will consider implementing annual rate increases for the next five years by passing through any increases in the wholesale cost of water, based on the following methodology:

1. Wholesale Water Rate Increase. For every tier of water consumption (both residential and commercial), the District will pass through to District customers the exact amount of any increase in the wholesale rate imposed on the District by the SFPUC in cents per unit (100 cubic feet).

2. Notice. The District will conduct a vote of the Board to authorize any pass through of SFPUC wholesale rate increases, after which the District will provide customers with written notice of any pass-through rate increase at least 30 days before the effective date of the adjustment.

E. Effective Date. The foregoing amendments to the Rate and Fee Schedule are effective upon enactment of this resolution and shall be reflected in bills issued to District customers after November 1, 2018.

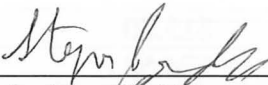
F. Notice of Exemption. The General Manager is authorized to file a Notice of Exemption with the Santa Clara County Clerk's Office.

PASSED AND ADOPTED this 10th day of October, 2018, by the following vote:

AYES: Directors Jordan, Evans, Anderson, Holtz, and Solomon

NOES: None

ABSENT: None

  
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President of the Board of Directors  
Purissima Hills Water District

ATTEST:

  
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Secretary of the Board