

RESOLUTION NO. 11-8

RESOLUTION OF THE BOARD OF DIRECTORS OF PALMDALE WATER DISTRICT TO REVISE WATER RATE STRUCTURE TO EQUALIZE TIER RANGES AMONG USER CLASSES

WHEREAS, on May 13, 2009, the Board of Directors of Palmdale Water District ("District") approved and adopted District Resolution No. 09-08, which implemented a water budget rate structure and associated rates based on tiers of usage among single family residential-multi-family residential, commercial and irrigation user classes (the "2009 Rate Structure"); and

WHEREAS, the 2009 Rate Structure was challenged in two lawsuits brought by the City of Palmdale ("City"); and

WHEREAS, the California Court of Appeal ruled on August 9, 2011 in the City of Palmdale v. Palmdale Water District, Second District Court of Appeal Case No. B224869, that certain aspects of the 2009 Rate Structure (namely, the range of tiers among different user classes) did not comply with the requirements of Article XIID, Section 6 of the California Constitution; and

WHEREAS, the District desires to promptly comply with the direction of the Court of Appeal on an interim basis, until a more thorough study and analysis can be completed to determine what, if any, further adjustments to the 2009 Rate Structure are necessary to bring it into compliance with the requirements of Article XIID, Section 6 of the California Constitution,

NOW, THEREFORE, BE IT RESOLVED that the District's Board of Directors hereby amends the tier ranges in its water rate structure retroactive to June 1, 2009, effective beginning the September, 2011, billing cycle, as set forth in the table below:

Tier	SFR/MFR	Commercial	Irrigation
Tier 2	100-130%	100-130%	100-130%
Tier 3	130-160%	130-160%	130-160%
Tier 4	160-190%	160-190%	160-190%
Tier 5	Above 190%	Above 190%	Above 190%

BE IT FURTHER RESOLVED that District staff is directed and instructed to implement the above-referenced adjustments to user class tiers as soon as possible, and to prepare any necessary revisions to the District's Rules and Regulations to memorialize those adjustments, which revisions are hereby deemed approved by this action.

BE IT FURTHER RESOLVED that the District's Board of Directors finds and determines that the above-referenced adjustments will result in reduced water rates for District customers and thus compliance with the procedural requirements Article XIID, Section 6 of the California Constitution is not required to take this action.

BE IT FURTHER RESOLVED that the District's Board of Directors hereby finds that the above-referenced adjustments are statutorily exempt from compliance with the California Environmental Quality Act (Public Resources Code sections 21000 et seq.) pursuant to CEQA Guidelines section 15273 as the adjustments constitute a modification of the District's rate structure and apply only to rates to obtain funds necessary to meet the District's operating expenses; to purchase or lease equipment supplies or materials; to meet financial reserve needs and requirements; and to obtain funds for capital projects necessary to maintain service within existing service areas.

CERTIFICATION:

I hereby certify that the foregoing Resolution No. 11-8 was duly and regularly adopted by the Board of Directors of the Palmdale Water District at the meeting thereof held on the 19th day of August, 2011 by the following vote:

AYES: Directors Dexter, Figueroa, Godin, and Storm

NOES: None

ABSTAIN: None

ABSENT: Director Cordova



GORDON DEXTER, President,
Board of Directors

ATTEST:



RAUL FIGUEROA, Secretary
Board of Directors