

**MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, SEPTEMBER 17, 2014:**

*A special meeting of the Board of Directors of the Palmdale Water District was held Wednesday, September 17, 2014, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.*

**1) Roll Call.**

**Attendance:**

Kathy Mac Laren, President  
Robert Alvarado, Vice President  
Gloria Dizmang, Treasurer  
Joe Estes, Secretary  
Vincent Dino, Director

**Others Present:**

Dennis LaMoreaux, General Manager  
Patty Quilizapa, Attorney  
Matt Knudson, Assistant General Manager  
Mike Williams, Finance Manager  
Mike McNutt, PIO/Conservation Director  
Peter Thompson II, Operations Manager  
Kelly Jeters, Systems Supervisor  
Judith Hernandez, Asst. Customer Service Spvrs.  
Dennis Hoffmeyer, Senior Accountant  
Bob Egan, Financial Advisor  
Dawn Deans, Executive Assistant  
45 members of the public

**2) Adoption of Agenda.**

It was moved by Director Alvarado, seconded by Director Estes, and unanimously carried to adopt the agenda, as written.

President Mac Laren then stated that a Spanish translator is available this evening; that the deadline for submitting protests regarding the proposed water rate structure change and overall rate increase was 7:00 p.m. and requested any additional protests be submitted after which Attorney Quilizapa stated that the protest submittal deadline has now passed.

Assistant Customer Service Supervisor Hernandez then translated this information in Spanish.

**3) Public Comments for Non-Agenda Items.**

Chair Mac Laren clarified that any questions regarding the proposed water rate structure change and overall rate increase will be addressed at the end of Agenda Item No. 4.1.

Mr. Rick Bown, Palmdale resident, inquired about the District digging eight new wells, about metering wells to farms, and about the construction of new subdivisions due to limited water supplies after which General Manager LaMoreaux clarified the District has not dug any new wells in the past fifteen years and that the District will not become a groundwater management agency.

Attorney Quilizapa then clarified protocol for receiving public comments for non-agenda items.

Mr. Jeffrey Moffatt, Palmdale resident, suggested the meeting not officially begin until the Spanish translator is available, and it was clarified that the meeting officially began at 7:00 p.m.

Assistant Customer Service Supervisor Hernandez then, again, introduced herself and restated in Spanish the deadline for submitting protests regarding the proposed water rate structure change and overall rate increase.

There were no further public comments on non-agenda items.

**4.1) Public Hearing to Consider Proposed Water Rate Structure Change and Overall Rate Increase Based on Bartle Wells Rate Study Pursuant to Proposition 218. (Finance Manager Williams/Bartle Wells Associates)**

Finance Manager Williams reviewed the background and key concepts of the Final Rate Study Report after which Mr. Doug Dove, of Bartle Wells Associates, provided a detailed overview of the Final Rate Study Report including their process for preparing the Report and their recommendation to approve a five-year rate package with rate structure adjustments and a 5.5% cap increase per year to allow the District to continue to meet funding needs, continue to replace aging infrastructure, and continue to provide very high quality water to the residents of Palmdale and then reviewed the consequences of not approving rate adjustments.

At 7:25 p.m., President Mac Laren called for a ten-minute recess to count and validate the final number of protests received regarding the proposed water rate structure change and overall rate increase.

She reconvened the special meeting at 7:35 p.m.

Attorney Quilizapa then stated that all protests received prior to 7:00 p.m. this evening regarding the proposed water rate structure change and overall rate increase have been counted and verified; that a total of 31,604 properties were given a protest opportunity under the Proposition 218 law; that a majority of 16,803 protests would be required for a majority protest; that a total of 502 protests with 331 being valid protests were received; that 8 protests were received after the 7:00 p.m. deadline and it is within the Board's discretion to allow these untimely protests; that one additional protest was just received, and she recommends this protest be allowed subject to verification; and that 331 valid protests does not constitute a majority protest.

It was then moved by Director Alvarado, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve the 331 valid protests received regarding the proposed water rate structure change and overall rate increase and to approve the additional nine protests received after 7:00 p.m.

Attorney Quilizapa then stated that based on the number of protests received, the Board has the authority under the Constitution to adopt a rate increase up to the amount noticed in the 45-day mailed notice to property owners and clarified that the Board considers tonight a rate increase up to a certain amount for a five-year period, but the Board does not implement any or all of each annual increase until adoption of the annual budget.

It was then moved by Director Alvarado, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to open the public hearing to consider the proposed water rate structure change and overall rate increase based on Bartle Wells Rate Study pursuant to Proposition 218.

President Mac Laren then reviewed the District's public comment guidelines, and Assistant Customer Service Supervisor Hernandez translated the previous actions in Spanish.

Mr. Rick Bown, Palmdale resident, stated that he spoke with Bartle Wells Associates regarding the Final Water Rate Study; that the District was not forthcoming in its water supply sources; that some farm residents will be metered; that the Delta smelt started the drought; that water is free and there should not be a charge on water; that the calculation of the rates and charges make no sense; and that he is a senior citizen on a fixed income and already limits water consumption.

Ms. Bibi Khan, Palmdale resident, stated that she is a senior citizen in a two-person home; that she suggests a family of two should be placed in tier 1 rather than a family of four, and then requested a water rate increase be postponed another five years as the District has a \$40 million bond and enough money in the budget to handle all maintenance, treatment, and new water pipes and requested the District invest in water quality and testing.

Mr. Jeffrey Moffatt, Palmdale resident and tax attorney, stated that the District is similar to the Palmdale School District of which he requested a forensic audit; that he suggests the District conduct a forensic audit; that the District has a policy with 4x4 vehicles used by upper executives rather than workers, and there is unnecessary extravagance in upper management; that he suggests cutbacks in a few areas to ensure ratepayers pay only what is necessary and a proper accounting be conducted; that he challenges that it is constitutionally permitted to have rate increases; that Proposition 13 is for a vote for an increase in taxes; that the District is increasing taxes as it changes its tiers with mandatory minimums; and that he strongly suggests these issues be modified.

Mrs. Star Moffatt, Palmdale resident, stated that she is appalled at the request for a rate increase; that her extensive research indicates the District has a \$44 million bond for maintenance, improvement, and other issues; that she is appalled at the District's Spanish translator; that the Proposition 218 notice is inadequate because it is only in English; and that she requests a process for the Spanish community to appeal the District's vote this evening because adequate notice has not been provided to all constituents including the Hispanic community.

Mr. Robert E. West, Palmdale resident, stated that he believes the proposed 5.5% rate increase to be compounded over five years because it is cumulative and equals 28% at the end of five years.

Mr. Robert Douglas Walden, Palmdale resident, stated that the last rate increase was unconscionable; that there are discrepancies in the District's Proposition 218 notice versus the law regarding protests, ballots, improvements, and assessments; and then inquired as to the number of votes submitted in favor of the rate increase.

Ms. Kay Jackson, Palmdale resident, stated that she lives on a fixed income and is a disabled veteran; that she requests the District not raise its rates as some cannot afford to pay utility bills; and that the rate increase will hurt others on fixed incomes.

Mr. Rafael A. Palacios, Palmdale resident, stated that he moved to the area five months ago, inquired why his bill is too high, and observed a broken pipe on the way to the District.

Mr. Kamal M. Al-Khatib, Palmdale resident, stated that the rate structure adopted a few years ago was a disaster; that his increase was as high as 300%; that he appreciates the District's efforts to fix the rate structure and the letter from General Manager LaMoreaux analyzing his accounts; that the District has assets of \$183 million with a budget of \$24 million and \$10 million in reserves as of last December; that assets can be tapped into for capital improvement projects; that he is thinking about purchasing property outside of the District to relocate his school due to connection costs; that the Proposition 218 process cannot be beat and is a way to empower public agencies to dig into pockets and raise rates; and that he is appealing to the Board to please consider other options before voting tonight.

Mr. Jose Escobedo, Palmdale resident, requested the Board vote no on Resolution No. 14-16; that a forensic audit be performed; that he did not receive a Proposition 218 notice, and the low number of protests does not make sense; that consumption is being reduced 20%, the District's revenue will be less, and the price needs to be increased to compensate; and that the presentation was difficult to understand and does not make sense to the community.

Assistant Customer Service Supervisor Hernandez then clarified in English Mr. Escobedo's Spanish comments.

Ms. Rosa Tintocalis, Palmdale resident, stated that a 5.5% annual rate increase is ridiculous; that no one has knocked on her door to tell her where her water meter is; that she does not understand the tiers; that she and others cannot afford to pay the increase; and that the raise will not bring water but will put money in the pockets of the District.

Mrs. Clotie Downing, Palmdale resident, stated that if they miss one payment, they receive late charges and inquired what is done with these funds; that the rates should not be raised; and that it is hard for her to pay her bills.

Mr. Nelson Pivaral, Palmdale resident, requested future meetings be held on Saturday for more public participation.

Ms. Dinetta Marshall, Palmdale resident, stated that she is a new Palmdale homeowner; that her first bill was very high; and that on line bill payments cannot be made on the due date as they post the next day, and this is not stated on the bill.

Mr. Rudy Velasquez, Palmdale resident, stated that his bill was much lower in 1995; that an increase is requested to pay for the District's mistakes for their pipes and 1" meters; and that there should have been more planning for new communities and water pressures adjusted.

President Mac Laren then thanked the public for their comments.

It was then moved by Director Estes, seconded by Director Dizmang, and unanimously carried by all members of the Board of Directors present at the meeting to close the public hearing to consider the proposed water rate structure change and overall rate increase based on Bartle Wells Rate Study pursuant to Proposition 218.

Attorney Quilizapa then addressed legal questions regarding Proposition 218 regarding restrictions on water rates, property related fees, the procedure, special assessments not being ongoing water rates and charges, voting requirement application to assessments and not to property related fees and charges, the mailing of the notice to all owners of parcels connected to the water system subject to the fee, and identifying parcels with tax assessor information after which she translated this information in Spanish.

Assistant Customer Service Supervisor Hernandez then clarified that the Proposition 218 notice was available in Spanish and the methods it was made available to customers.

**4.2) Consideration and Possible Action on Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service. (Finance Manager Williams/Bartle Wells Associates)**

Finance Manager Williams reviewed staff's recommendation to adopt Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service, the process for mailing Proposition 218 notices, public outreach efforts, and the number of protests received and stated that Resolution No. 14-16 does not set rates at 5.5% but sets a cap of 5.5% with any annual increase considered through the budget process.

General Manager LaMoreaux then addressed questions raised in the public hearing clarifying that a \$43 million bond was issued in 2013 with the majority of funds

being used to refinance a 2004 bond that financed water treatment plant upgrades and the balance dedicated towards replacement projects; that the District contracts annually with an independent auditor, the District's finances are very transparent with detailed monthly financial reports made to the Board at the first public Board meeting of every month, and the District's finances are less complicated than those of a school district; that District management does not drive 4x4 vehicles at the District's expense; that the District approved a Rate Assistance Program funded from leases and cell tower leases for seniors and low income families focusing on customers with 5/8" meters who also qualify for other utility CARE programs; that pressures fluctuate closer to reservoirs and other locations requiring a 1" meter to provide a consistent flow, this is not a mistake but ensures all customers have the same flow regardless of pressure in the street, and the 1" meter rate is being lowered so all customers are charged the same meter charge; and that of the protests received, 1/3 understood the process, and he has written nearly 100 letters informing customers that their bill will be lowered from the new rate structure.

Assistant Customer Service Supervisor Hernandez then translated an explanation of the Rate Assistance Program, and General Manager LaMoreaux provided clarification on the requirements for participating in the Program.

Mr. Rick Bown, Palmdale resident, speaking from the public seating area, then provided additional comment on the mailing of the Proposition 218 process after which Attorney Quilizapa clarified the District has met the legal requirements for mailing the Proposition 218 notices, and the District went above these requirements sending notices to all billing addresses.

Mr. Jose Escobedo and Mr. Robert Douglas Walden, Palmdale residents, also speaking from the public speaking area, inquired about 1" meters after which General Manager LaMoreaux clarified meter size is shown on water bills, the monthly 1" meter charge will be reduced, and the most common meter size is 5/8".

It was then moved by Director Alvarado, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to open the public comment period regarding the consideration of Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service.

Assistant Customer Service Supervisor Hernandez translated the motion in Spanish.

Mr. Robert Douglas Walden, Palmdale resident, stated that rates are being raised about 48% over five years on the most common meter size on the hard cost, the District's product is diminishing, and this is why the cost on the meter is being increased.

Ms. Gaylia West, Palmdale resident, stated that 31,604 Proposition 218 notices were sent; that if their lowest bill is \$40, the District takes in \$1,264,160 per month; and then inquired where the bond monies were spent.

Mrs. Star Moffatt, Palmdale resident, stated that it was previously stated that there was no municipal bond issued in 2013; that she has paperwork regarding the \$43 million bond going towards refinancing 2004 debt; that it was not stated that it goes towards financing certain improvements, and the rate increase is to go towards maintenance, operations, and improvements and asked for an explanation of this; that the Proposition 218 notice gave inadequate notice to bilingual customers; and inquired how the public appeals the Board's decision on raising rates.

Mr. Michael Leighty, Palmdale resident, stated that legal counsel commented regarding the Proposition 218 process and 31,000 properties and inquired if there is a meter at and a bill sent for each of these properties.

Mr. Jeffrey Moffatt, Palmdale resident, stated that he understands water banking has been occurring for some time; that he understands Palmdale is on a vast aquifer, is floating on water, and the water tables are actually increasing; that with water banking to prevent high rates and the water tables increasing, the argument that there is a shortage when there is actually a surplus is disingenuous; and that if this was not conveyed to Bartle Wells, it may need to be rethought.

Ms. Rosa Tintocalis, Palmdale resident, stated that she does not understand the Proposition 218 notice or tiers; that she suggests the District continue to provide notices to make the public understand; that she is not happy with the raise; that there needs to be communication and education with the customers on terminology and numbers; and then inquired which size meter is the most efficient meter and suggested the District make all meters and pipes the same.

Ms. Kay Jackson, Palmdale resident, stated that she would hate to think fellow veterans, disabled, and elderly receive disconnection notices with no room for negotiation and requested a program be developed regarding negotiating payment of disconnection notices to ensure these residents will not go without water.



Ms. Maria Gonzalez, Palmdale resident, stated that she has come to the District several times regarding reducing her meter size and thanked Assistant Customer Service Supervisor Hernandez for her assistance on this matter this evening and for informing her of the cost.

President Mac Laren then clarified the reduction in 1" meter costs to equalize charges among customers and encouraged residents to call District staff if there are additional questions.

Ms. Gaylia West, Palmdale resident, inquired when rates were previously raised and how inside and outside water use is determined.

Ms. Maria Dominguez, Palmdale resident, stated her concern about their high bill due to a broken water pipe at their house; that District staff said the full amount was due, and the damage was their responsibility; and then asked for help with this issue.

Mr. Robert E. West, Palmdale resident, stated that a second meter will need to be added or tubing bifurcated to differentiate between inside and outside water use.

Ms. Maria Dominguez, Palmdale resident, requested future notices be provided in Spanish; that their driveway was blocked this morning by District vehicles; and that they were not notified of this.

Ms. Donetta Marshall, Palmdale resident, inquired if the Board of Directors are Palmdale residents and exempt from the rate increase and stated that there is no grace period for paying a water bill.

It was then moved by Director Dino, seconded by Director Dizmang, and unanimously carried by all members of the Board of Directors present at the meeting to close the public comment period regarding the consideration of Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service, and Assistant Customer Service Supervisor Hernandez provided Spanish translation of this motion.

Attorney Quilizapa then clarified providing the Proposition 218 notice in Spanish is not a requirement but that a statement was included in the notice in Spanish that read "Si usted necesita este aviso en español, por favor llame al (661) 456-4534," that the notice was sent to all properties subject to fees and charges meaning all properties connected to the water system with notice sent to all these properties as well as those currently

receiving bills, that the protest is the appeal for the Proposition 218 process, and any further appeal or challenge would have to be discussed with one's own legal counsel.

General Manager LaMoreaux then clarified that the 2013 bond refinanced the 2004 bond, the complete use of the 2004 bond was for improvements made to the water treatment plant required to meet regulations for which the District is now meeting, the bond funds beyond refinancing are being used on projects with a monthly accounting of these expenditures provided to the Board at public meetings, and it is completely transparent as to where these funds are being used; that 5/8" and 1" meter charges are being equalized in the new structure, and this is a revenue neutral change for the District; that Resolution No. 14-16 includes a maximum cap for any increase, any increase will be analyzed on an annual basis, and history indicates the Board makes efforts to stay below the cap; that indoor and outdoor tiers are shown on water bills as an indoor allocation and an outdoor allocation, and in the proposed structure tier 1 will be indoor use and tier 2 will be outdoor use; that the state is in a condition of drought, it has been ruled in a court of law that the local groundwater basin is in a state of overdraft, and determining water rights for use of this water has been in court for fifteen years; that billing policy states that bills are due upon receipt with 25 days to pay, a 10% late fee is then applied if not paid adding two more weeks to pay followed by a 48-hour disconnection door tag, and staff works with customers regarding late fee adjustments; that all Board members are elected from amongst the customers of the District and are subject to the policies of the District; that the District has a Leak Variance Application for customers who have experienced leaks on their property; that the District's publications are available in Spanish; and that an emergency repair situation may have affected notification to customers.

Finance Manager Williams then clarified that a separate public relations firm was hired to assist with public outreach on the Proposition 218 process and reviewed the District's outreach efforts in this process and stated that educating ratepayers in an understandable language will be addressed along with customer service concerns.

President Mac Laren clarified that the District is making every effort to make the Proposition 218 process as accessible and transparent as possible with the least amount of increase needed but at the same time ensuring the District's responsibility to protect the ratepayers by taking care of infrastructure.

It was then moved by Director Dizmang and seconded by Director Dino to approve Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service inserting the number of protests received as 340 with said Resolution in full force and effect immediately.

President Mac Laren then clarified that no immediate rate increases are being implemented and this discussion will occur during the budget workshop.

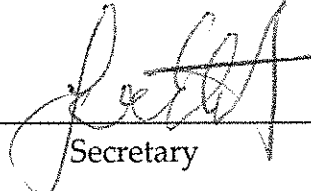
Director Dizmang then clarified that the 5.5% increase is a cap and any annual increase cannot go above this amount; that this is not the rate to be charged; that each year, the Board will evaluate the need to raise rates during the budget process; and that during the last three years, there was a cap of 8%, and this Board never implemented an 8% increase.

The motion then carried on a 3 – 2 vote, with Directors Alvarado and Estes opposed.

A copy of said Resolution No. 14-16 is hereby made a portion of the minutes of this meeting.

**5) Adjournment.**

There being no further business to come before the Board, the meeting was adjourned.

  
\_\_\_\_\_  
Secretary

**PALMDALE WATER DISTRICT  
RESOLUTION NO. 14-16**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
PALMDALE WATER DISTRICT APPROVING CHANGES IN  
RATES, FEES, AND CHARGES FOR WATER SERVICE**

**WHEREAS**, the Palmdale Water District (the "District") is authorized to collect charges and set rates for water service pursuant to the Irrigation District Law, codified at Division 11 of the Water Code, specifically at Sections 22280 through 22284;

**WHEREAS**, the District's current water rates are set forth at Appendix C of the Rules and Regulations of the Palmdale Water District;

**WHEREAS**, District staff has undertaken a review of the District's financial position and determined the current water rate revenues are not sufficient to offset the cost of providing the water service, including, among other things, increased operation and maintenance expenses, increased costs for necessary infrastructure repairs and enhancements, increased water quality regulations, and increased water supply costs;

**WHEREAS**, on April 17, 2014, the District retained Bartle & Wells, an independent water rate consultant, pursuant to an open bid process to perform a financial study of the District's existing water rates and rate structure and the District's existing and future reasonably estimated costs of providing water service;

**WHEREAS**, on July 16, 2014 and July 23, 2014, Bartle & Wells made presentations to the Board of Directors that concluded the current rates and rate structure will not be sufficient to cover the reasonably estimated costs of providing the District's water service over the next five fiscal years, and, proposed a revised rate structure and annual rate increases options depending on the level of maintenance and improvements expected to take place in the next five years, including 5%, 5.5% and 6% annual rate increases;

**WHEREAS**, the District's charges and fees for water service are subject to the requirements of Proposition 218 (Cal. Const. Art. XIID, Section 6), including notice, hearing, and protest requirements applicable to increases of water rates;

**WHEREAS**, on July 23, 2014, pursuant to Proposition 218, the Board approved and directed staff to provide notice of the proposed rate structure changes and 5.5% annual rate increases, set forth in draft Appendix C, attached hereto, (the "Proposed Rates");

**WHEREAS**, on August 1, 2014, District staff mailed notice of (1) the Proposed Rates, (2) a September 17, 2014 public hearing, and (3) the method of protesting the Proposed Rates, to all the record owners of parcels within the District's service area that are subject to the District's fees and charges, using the last equalized assessment tax roll of the Los Angeles County Assessor and the District's customer billing records;

**WHEREAS**, the District held three public workshops on August 14, 2014, August 21, 2014, and September 8, 2014 to provide the public additional information regarding the Proposed Rates;

**WHEREAS**, from August 1, 2014, to 7:00 p.m. on September 17, 2014, the District accepted valid protests to the Proposed Rates;

**WHEREAS**, on September 17, 2014, the District held a public hearing at which District staff presented a total of 340 valid protests to the Board, resulting in less than a majority protest pursuant to Article XIII D, Section 6 of the California Constitution;

**WHEREAS**, although the lack of a majority protest authorizes the Board to adopt the Proposed Rates up to 5.5% for the next five fiscal years, the Board is not required to implement all of the annual rate increases;

**WHEREAS**, each year through its budget process, the Board reviews the estimated costs of providing the District's service in the ensuing year and determines at that time the amount of the increase it will implement for the ensuing year;

**WHEREAS**, the District has previously decided not to exercise its full authority to increase rates, including on May 13, 2009, when the Board approved a 46% rate increase for 5 years and only implemented 15% rate increases in those years; and

**WHEREAS**, the adoption of this resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because the resolution pertains to the adoption of charges necessary to maintain services within the District's existing service area.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** that the Board of Directors of the Palmdale Water District does hereby resolve as follows:


1. The foregoing recitals are hereby found to be true and correct and incorporated herein by this reference.
2. The District has received and accepted 340 valid protests to the Proposed Rates as of 7:00 p.m. on September 17, 2014.
3. The District adopts and approves the Proposed Rates as set forth in draft Appendix C to the District's Rules and Regulations, attached hereto.
4. The Current Appendix C shall be replaced by the draft Appendix C, attached hereto, reflecting the District's authority to impose and collects rates for the provision of water service in accordance therewith.
5. In the event the Board determines, through its annual budget process, not to implement the full 5.5% annual rate increase set forth in Appendix C for any of the following five fiscal years, it shall amend Appendix C to reflect the actual rate adopted for that year.

6. The General Manager is authorized and directed to give due notice of exemption of this resolution from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

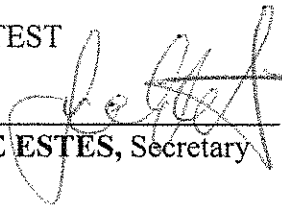
7. Effective Date. All sections of this Resolution shall be in full force and effect immediately.

PASSED AND ADOPTED on this 17th day of September, 2014 by the Board of Directors, the governing body of the Palmdale Water District.

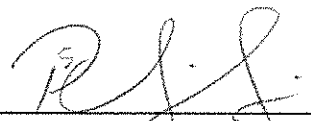
PALMDALE WATER DISTRICT

  
KATHY MAC LAREN, President

ATTEST

  
JOE ESTES, Secretary

APPROVED AS TO FORM:

By:   
Aleshire & Wynder, General Counsel

Appendix C

**Palmdale Water District Proposed Rate Structure**

**Water Quality Fee (\$/ccf):** 5-yr moving average of (GAC costs) / (billed water usage [hcf])

**User Classification**

Single Family Residential "SFR"  
Multi Family Residential "MFR"  
Commercial-Industrial "CI"  
Irrigation Only "IRR"  
Other "OTHER"

**Water Budget Allocation - Essential Usage**

Indoor Allocation  
3-yr average of minimum monthly usage  
3-yr average of minimum monthly usage  
Essential Outdoor Allocation  
3-yr average of minimum monthly usage

**User Classification**

Single Family Residential "SFR"  
Multi Family Residential "MFR"  
Commercial-Industrial "CI"  
Irrigation Only "IRR"  
Other "OTHER"

**Water Budget Allocation - Efficient Usage**

Indoor Allocation + Efficient Outdoor Allocation  
3-yr moving average by month  
3-yr moving 3 month average  
Efficient Outdoor allocation  
3-yr moving average by month

**Service Charge**

**Meter Size**

1" and Below  
1-1/2"  
2"  
3"  
4"  
6"  
8"  
10"

**Monthly Service Charge**

\$31.27  
\$93.80  
\$143.85  
\$260.62  
\$427.44  
\$844.50  
\$1,344.96  
\$1,928.84

**Commodity Rates (\$/ccf\*)**

**Tiers**

Tier 1  
Tier 2  
Tier 3  
Tier 4  
Tier 5  
Tier 6

**CY 2014**

\$0.73  
\$0.84  
\$2.37  
\$3.57  
\$4.61  
\$5.93

**Elevation Booster Surcharge (\$/ccf\*)**

**Area**

B  
A1  
A2  
A3

**CY 2014**

-  
5-Year Moving Average of Actual Pumping Costs  
5-Year Moving Average of Actual Pumping Costs  
5-Year Moving Average of Actual Pumping Costs

*\*Water use is metered in units of ccf (hundred cubic feet)*

**All Classes**

**Tier**

Tier 1  
Tier 2  
Tier 3  
Tier 4  
Tier 5  
Tier 6

**Water Budget Allocation**

0 - 100% Essential Usage  
100% Essential Usage - 100% Efficient Usage  
101-130% Efficient Usage  
131-160% Efficient Usage  
161-190% Efficient Usage  
Above 191% Efficient Usage

Appendix C

Meter Charges	% Increase	5.5%	5.5%	5.5%	5.5%	5.5%
Meter Size	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
1" and Below	\$31.27	\$32.99	\$34.80	\$36.71	\$38.73	\$40.86
1.5"	93.80	98.96	104.40	110.14	116.20	122.59
2"	143.85	151.76	160.11	168.92	178.21	188.01
3"	260.62	274.95	290.07	306.02	322.85	340.61
4"	427.44	450.95	475.75	501.92	529.53	558.65
6"	844.50	890.95	939.95	991.65	1,046.19	1,103.73
8"	1,344.96	1,418.93	1,496.97	1,579.30	1,666.16	1,757.80
10"	1,928.84	2,034.93	2,146.85	2,264.93	2,389.50	2,520.92

Commodity Rates	% Increase	5.5%	5.5%	5.5%	5.5%	5.5%
	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
Tier 1	\$0.73	\$0.77	\$0.81	\$0.85	\$0.90	\$0.95
Tier 2	\$0.84	\$0.89	\$0.94	\$0.99	\$1.04	\$1.10
Tier 3	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.10
Tier 4	\$3.57	\$3.77	\$3.98	\$4.20	\$4.43	\$4.67
Tier 5	\$4.61	\$4.86	\$5.13	\$5.41	\$5.71	\$6.02
Tier 6	\$5.93	\$6.26	\$6.60	\$6.96	\$7.34	\$7.74

Drought Surcharges			
Stage No.	Policy	% Shortage	Drought Surcharge per CCF*
1	Water Rationing	20% reduction in water deliveries	\$0.45
2	Water Rationing	30% reduction in water deliveries	\$0.77
3	Water Rationing	40% reduction in water deliveries	\$1.19