

**PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT
ORDINANCE NO. 04-01-21**

BE IT ORDAINED by the Board of Directors of the Pajaro Sunny Mesa Community Services District (Hereinafter referred to as the District) as follows:

Section 1. Purpose and Authority. The purpose of this Ordinance is to adjust the District water charges and fees by amending Exhibit A to Resolution 11-01-15, adopted by the District Board of Directors on November 4, 2015. The background and purpose are more thoroughly explained in

- The Notice of Public Hearing on Public Hearing Notice: Proposed Increases in Water Rates and Fees and attachments thereto, dated March 8, 2021,
- The Pajaro Sunny Mesa CSD Study Report: Water Rate and Capacity Fee Analysis (“Water Rate and Capacity Fee Analysis”) prepared by NBS Government Finance Group, a corporation doing business as NBS (“NBS”) and dated September, 2020.

This Ordinance is adopted pursuant to California Constitution article XIII D, section 6 and other applicable laws.

Section 2. Findings. The District Board of Directors finds and determines as follows:

- a. The District water service which is funded by the delivered proposed charge is comprised of fixed and volumetric charges
- b. The water charge increase is necessary to pay the costs of the water service. The current water charges and other available revenue are not sufficient to pay the costs of the water service, and purchase of emergency generators.
- c. The District retained NBS to analyze the District’s costs and water charge increase. NBS consulted with the District. After consultation with District staff, NBS prepared the Water Rate and Capacity Fee Analysis, which contains analysis and information concerning the calculation of and reasons for the increased water service charges. On September 29, 2020, the Board of Directors held a duly noticed public hearing, considered public comment, and approved the Water Rate and Capacity Fee Analysis.
- d. The water charge rates adopted by this Ordinance have been calculated and fixed in an amount sufficient to pay the costs of the water service and ongoing debt payments of the District. The increased rates are reasonably related to, and do not exceed, the District’s costs of providing the service and paying related debt service and purchasing of emergency generators.
- e. The Water Rate and Capacity Fee Analysis demonstrates that the revenue to be generated from the increased water charges and fees has been derived and calculated in such a manner that the revenue is based on and limited to the District costs of providing the water service and paying debt service. Additionally, this Ordinance limits the use of the water charge revenue to these purposes and prohibits use of the revenue for any other purpose. The revenue derived from the increased water charges therefore does not exceed the funds required to provide the water service and pay related debt service.
- f. For similar reasons, revenues derived from the water charge are not and will not be used for any purpose other than the purposes described in this Ordinance and the Water Rate and Capacity Fee Analysis.

- g. The Water Rate and Capacity Fee Analysis describes the cost apportionment and water charge calculation by: (1) evaluating the District's revenues and expenses required to provide the water service and pay debt service in order to determine the net revenue requirements for the service; (2) allocating the revenue requirements to the District's cost categories to reflect the service attributable to the water service customers; and (3) allocating the costs based on the estimated percentage of staff time spent on various functions, costs of pumping and pressurizing, and relative consumption of water by the water service customers. As demonstrated by this analysis in the Water Rate and Capacity Fee Analysis Service, the amount of the water charge imposed is reasonably related to and does not exceed the proportional cost of the service attributable to each parcel.
- h. The District Board of Directors has conducted a duly noticed public hearing on this proposed water charge increase in accordance with California Constitution article XIII D, section 6, and the District Board of Directors did not receive a majority protest against the proposed increase. (For background and support for these findings. See the Service Charge Report dated September 2020; the March 8, 2021 Notice of Public Hearing on Public Hearing Notice: Proposed Increases in Water Rates and Fees. These documents are available for public review at District website pajarosunnymesa.com.)

Section 3. Final Approval. The "Water Rate and Capacity Fee Analysis was originally approved by resolution of the District Board of Directors on September 29, 2020.

Section 4. Amendment to Water Charge Ordinance. The water charge was originally established by Ordinance No. 88-4-1, and was amended and restated by Ordinance No. 08-04-01 on or about May 29, 2008 and then Exhibit A thereof was amended by Resolution No. 01-01-10 on or about January 12, 2010, and then Exhibit A thereof was amended by Ordinance No. 11-01-15 on or about November 4, 2015. Ordinance No. 88-4-1 is now hereby amended, supplemented and revised as follows:

Charge Increase. The District water charges are hereby increased as set forth on Exhibit A "Pajaro/Sunny Mesa Community Services District Rate Schedule."

- a. The rates set forth on pages 1 and 2 of Exhibit A will be in effect for the 2021-2022 Fiscal year, from July 1 through and including June 30.
- b. The rates set forth on pages 3 and 4 of Exhibit A will be in effect for the 2022-2023 Fiscal year, from July 1 through and including June 30.
- c. The rates set forth on pages 5 and 6 of Exhibit A will be in effect for the 2023-2024 Fiscal year, from July 1 through and including June 30.
- d. The rates set forth on pages 7 and 8 of Exhibit A will be in effect for the 2024-2025 Fiscal year, from July 1 through and including June 30.
- e. The rates set forth on pages 9 and 10 of Exhibit A will be in effect for the 2025-2026 Fiscal year, from July 1 through and including June 30.
- f. The rates set forth on Page 11 of Exhibit A will be in effect on July 1, 2021.

After June 30, 2026, the 2026 Fiscal year rates shall remain in effect until amended or superseded by District ordinance.

The General Manager is authorized and directed to make such adjustments and keep and maintain a current schedule of applicable water charges at the District office and posted on the District website.

Section 5. Use of Water Charge Revenue. The water charge revenue shall be expended solely for the costs of the water service and debt service and for generator purchases. The General Manager is authorized and directed to monitor and account for expenditures of the water charge revenue to ensure that its use is limited to these purposes.

Section 6. California Environmental Quality Act. The District Board of Directors finds that this increase in the water charge rate is for the purposes of meeting operating expenses of the District water service and obtaining funds for related capital costs. Accordingly, the District Board determines that this service charge increase is exempt from environmental review under the CEQA Guidelines. (Public Resources Code section 21080(b)(8); CEQA Guidelines section 15273.)

Section 7. Severability. The provisions of this Ordinance are severable, and the invalidity, unenforceability or unconstitutionality of any section, portion or part of this Ordinance shall not affect the validity of the remainder of the Ordinance.

Section 8. Effective Date. This Ordinance and increased water charges shall take effect on July 1, 2021.

Section 9. Posting/Publication. Within 15 days after its passage, the District General Manager shall cause this Ordinance, or a summary thereof, to be published at least once, with the names of those District Board Directors voting for and against this Ordinance, in a newspaper of general circulation published and circulated in the District.


PASSED AND ADOPTED this 22nd day of April, 2021, upon motion of Director Coplin, seconded by Director Wiggins, and carried by the following vote, to wit:

AYES: S. Coplin; R. Moody; D. Lamboley; M. Moore; H. Wiggins

NOES: None

ABSENT: None

ABSTAIN: None



Sanford Coplin, President

CERTIFICATE OF SECRETARY

I, Don Rosa, as the duly elected Secretary of the Board of Directors of the Pajaro/Sunny Mesa Community Services District, Monterey County, California, do hereby certify that the above Ordinance is a full, true and correct copy of said Ordinance passed and adopted by the Board of Directors at a meeting held on the 22nd day of April 2021, and that said Ordinance is now spread upon the minutes of said Board.



Secretary of the Board of Directors

Effective Date July 1, 2021

EXHIBIT "A"

PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

RATE SCHEDULE

I. MINIMUM CHARGES

A. PAJARO, SUNNY MESA, BLACKIE ROAD #18, LANGLEY/VALLE PACIFICO, NORMCO WATER, VIERRA ESTATES, MOSS LANDING DIVISION, VEGA AND SPRINGFIELD WATER

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The areas served by the Pajaro/Sunny Mesa Community Services District currently known as Pajaro, Sunny Mesa, Bay Farms/Hillcrest, Vega/Vista Verde, Moss Landing and North Monterey County Prunedale Areas.

RATES

<u>Quantity Rates Uniform Single Tier:</u>	<u>Per Meter Per Month</u>
Inside District - <i>Domestic</i> Per 100 cu. ft. (748 gallons)	\$ 4.81
Bulk or Construction water Per 100 cu. ft. (748 gallons)	\$ 66.54
Agricultural water Per acre foot per month.....	\$ 476.50

Pajaro, Sunny Mesa, and Vega Systems only:

Pajaro Valley Water Management Agency Established Rates shall be collected by the District from the customer and be refunded to PVWMA at required intervals. The District shall establish a collection fee annually and add on to the established water charge.

Pajaro Valley Water Management Agency	\$ 246.00	per acre ft. (325,829 gallons)
Pajaro/Sunny Mesa C. S. D. Collection Fee	25%	per acre ft. (43,560 cubic feet)

PVWMA per cubic foot	0.56 per 100 cubic feet
P/SMCSD collection fee	<u>0.14 per 100 cubic feet</u>
Total	0.70 per 100 cubic feet

Service Availability
Charge Per Month
Meter Size

Inside District
\$ Per Month Year 1

5/8" - 3/4"	\$ 28.02
3/4"	\$ 28.02
1"	\$ 59.84
1.5"	\$ 112.88
2"	\$ 176.52
3"	\$ 378.06
4"	\$ 675.06
6"	\$ 1,385.74
8"	\$ 2,976.82
Hydrant Meter	\$ 378.06

Effective Date July 1, 2022

EXHIBIT "A"

PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

RATE SCHEDULE

II. MINIMUM CHARGES

A. PAJARO, SUNNY MESA, BLACKIE ROAD #18, LANGLEY/VALLE PACIFICO, NORMCO WATER, VIERRA ESTATES, MOSS LANDING DIVISION, VEGA AND SPRINGFIELD WATER

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The areas served by the Pajaro/Sunny Mesa Community Services District currently known as Pajaro, Sunny Mesa, Bay Farms/Hillcrest, Vega/Vista Verde, Moss Landing and North Monterey County Prunedale Areas.

RATES

<u>Quantity Rates Uniform Single Tier:</u>	<u>Per Meter Per Month</u>
Inside District - <i>Domestic</i>	
0-500, per 100 cu. ft. (748 gallons).....	\$ 5.44
Bulk or Construction water	
Per 100 cu. ft. (748 gallons)	\$ 66.54
Agricultural water	
Per acre foot per month.....	\$ 476.50

Pajaro, Sunny Mesa, and Vega Systems only:

Pajaro Valley Water Management Agency Established Rates shall be collected by the District from the customer and be refunded to PVWMA at required intervals. The District shall establish a collection fee annually and add on to the established water charge.

Pajaro Valley Water Management Agency	\$ 246.00	per acre ft. (325,829 gallons)
Pajaro/Sunny Mesa C. S. D. Collection Fee	25%	per acre ft. (43,560 cubic feet)
PVWMA per cubic foot		0.56 per 100 cubic feet
P/SMCSD collection fee	<u>0.14</u>	<u>per 100 cubic feet</u>
Total		0.70 per 100 cubic feet

Service Availability
Charge Per Month
Meter Size

Inside District
\$ Per Month Year 2

5/8" - 3/4"	\$ 31.66
3/4"	\$ 31.66
1"	\$ 67.62
1.5"	\$ 127.55
2"	\$ 199.47
3"	\$ 427.21
4"	\$ 762.82
6"	\$ 1,565.89
8"	\$ 3,363.80
Hydrant Meter	\$ 427.21

Effective Date July 1, 2023

EXHIBIT "A"

PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

RATE SCHEDULE

III. MINIMUM CHARGES

A. PAJARO, SUNNY MESA, BLACKIE ROAD #18, LANGLEY/VALLE PACIFICO, NORMCO WATER, VIERRA ESTATES, MOSS LANDING DIVISION, VEGA AND SPRINGFIELD WATER

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The areas served by the Pajaro/Sunny Mesa Community Services District currently known as Pajaro, Sunny Mesa, Bay Farms/Hillcrest, Vega/Vista Verde, Moss Landing and North Monterey County Prunedale Areas.

RATES

<u>Quantity Rates Uniform Single Tier:</u>	<u>Per Meter Per Month</u>
Inside District - <i>Domestic</i>	
0-500, per 100 cu. ft. (748 gallons).....	\$ 6.04
Bulk or Construction water	
Per 100 cu. ft. (748 gallons)	\$ 66.54
Agricultural water	
Per acre foot per month.....	\$ 476.50

Pajaro, Sunny Mesa, and Vega Systems only:

Pajaro Valley Water Management Agency Established Rates shall be collected by the District from the customer and be refunded to PVWMA at required intervals. The District shall establish a collection fee annually and add on to the established water charge.

Pajaro Valley Water Management Agency	\$ 246.00	per acre ft. (325,829 gallons)
Pajaro/Sunny Mesa C. S. D. Collection Fee	25%	per acre ft. (43,560 cubic feet)
PVWMA per cubic foot	0.56	per 100 cubic feet
P/SMCSD collection fee	<u>0.14</u>	<u>per 100 cubic feet</u>
Total	0.70	per 100 cubic feet

Service Availability
Charge Per Month
Meter Size

Inside District
\$ Per Month Year 3

5/8" - 3/4"	\$ 35.15
3/4"	\$ 35.15
1"	\$ 75.06
1.5"	\$ 141.58
2"	\$ 221.41
3"	\$ 474.20
4"	\$ 846.73
6"	\$ 1,738.13
8"	\$ 3,733.82
Hydrant Meter	\$ 474.20

Effective Date July 1, 2024

EXHIBIT "A"

PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

RATE SCHEDULE

IV. MINIMUM CHARGES

A. PAJARO, SUNNY MESA, BLACKIE ROAD #18, LANGLEY/VALLE PACIFICO, NORMCO WATER, VIERRA ESTATES, MOSS LANDING DIVISION, VEGA AND SPRINGFIELD WATER

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The areas served by the Pajaro/Sunny Mesa Community Services District currently known as Pajaro, Sunny Mesa, Bay Farms/Hillcrest, Vega/Vista Verde, Moss Landing and North Monterey County Prunedale Areas.

RATES

<u>Quantity Rates Uniform Single Tier:</u>	<u>Per Meter Per Month</u>
Inside District - <i>Domestic</i>	
0-500, per 100 cu. ft. (748 gallons).....	\$ 6.52
Bulk or Construction water	
Per 100 cu. ft. (748 gallons)	\$ 66.54
Agricultural water	
Per acre foot per month.....	\$ 476.50

Pajaro, Sunny Mesa, and Vega Systems only:

Pajaro Valley Water Management Agency Established Rates shall be collected by the District from the customer and be refunded to PVWMA at required intervals. The District shall establish a collection fee annually and add on to the established water charge.

Pajaro Valley Water Management Agency	\$ 246.00	per acre ft. (325,829 gallons)
Pajaro/Sunny Mesa C. S. D. Collection Fee	25%	per acre ft. (43,560 cubic feet)
PVWMA per cubic foot	0.56	per 100 cubic feet
P/SMCSD collection fee	<u>0.14</u>	per 100 cubic feet
Total	0.70	per 100 cubic feet

Service Availability
Charge Per Month
Meter Size

Inside District
\$ Per Month Year 4

5/8" - 3/4"	\$ 37.96
3/4"	\$ 37.96
1"	\$ 81.07
1.5"	\$ 152.91
2"	\$ 239.12
3"	\$ 512.13
4"	\$ 914.46
6"	\$ 1,877.19
8"	\$ 4,032.53
Hydrant Meter	\$ 512.13

Effective Date July 1, 2025

EXHIBIT "A"

PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

RATE SCHEDULE

V. MINIMUM CHARGES

A. PAJARO, SUNNY MESA, BLACKIE ROAD #18, LANGLEY/VALLE PACIFICO, NORMCO WATER, VIERRA ESTATES, MOSS LANDING DIVISION, VEGA AND SPRINGFIELD WATER

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The areas served by the Pajaro/Sunny Mesa Community Services District currently known as Pajaro, Sunny Mesa, Bay Farms/Hillcrest, Vega/Vista Verde, Moss Landing and North Monterey County Prunedale Areas.

RATES

<u>Quantity Rates Uniform Single Tier:</u>	<u>Per Meter Per Month</u>
Inside District - <i>Domestic</i>	
0-500, per 100 cu. ft. (748 gallons).....	\$ 6.85
Bulk or Construction water	
Per 100 cu. ft. (748 gallons)	\$ 66.54
Agricultural water	
Per acre foot per month.....	\$ 476.50

Pajaro, Sunny Mesa, and Vega Systems only:

Pajaro Valley Water Management Agency Established Rates shall be collected by the District from the customer and be refunded to PVWMA at required intervals. The District shall establish a collection fee annually and add on to the established water charge.

Pajaro Valley Water Management Agency	\$ 246.00	per acre ft. (325,829 gallons)
Pajaro/Sunny Mesa C. S. D. Collection Fee	25%	per acre ft. (43,560 cubic feet)
PVWMA per cubic foot	0.56	per 100 cubic feet
P/SMCSD collection fee	<u>0.14</u>	<u>per 100 cubic feet</u>
Total	0.70	per 100 cubic feet

Service Availability
Charge Per Month
Meter Size

Inside District
\$ Per Month Year 5

5/8" - 3/4"	\$ 39.86
3/4"	\$ 39.86
1"	\$ 85.12
1.5"	\$ 160.56
2"	\$ 251.08
3"	\$ 537.74
4"	\$ 960.19
6"	\$ 1,971.04
8"	\$ 4,234.16
Hydrant Meter.....	\$ 537.74

Effective Date July 1, 2021

EXHIBIT "A"

PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

DROUGHT RATE SCHEDULE

VI. MINIMUM CHARGES

A. PAJARO, SUNNY MESA, BLACKIE ROAD #18, LANGLEY/VALLE PACIFICO, NORMCO WATER, VIERRA ESTATES, MOSS LANDING DIVISION, VEGA AND SPRINGFIELD WATER

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The areas served by the Pajaro/Sunny Mesa Community Services District currently known as Pajaro, Sunny Mesa, Bay Farms/Hillcrest, Vega/Vista Verde, Moss Landing and North Monterey County Prunedale Areas.

Current vs. Proposed Rates	Current Rates	Proposed Volumetric Drought Rates				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Proposed Rates, Non-Drought (\$/hcf)						
Users Subject to Uniform Commodity Charge:	--	\$4.81	\$5.44	\$6.04	\$6.52	\$6.85
Proposed Rates, Drought Stage 1 (\$/hcf)						
Users Subject to Uniform Commodity Charge:	--	\$5.18	\$5.86	\$6.50	\$7.02	\$7.37
Proposed Rates, Drought Stage 2 (\$/hcf)						
Users Subject to Uniform Commodity Charge:	--	\$5.77	\$6.52	\$7.24	\$7.82	\$8.21
Proposed Rates, Drought Stage 3 (\$/hcf)						
Users Subject to Uniform Commodity Charge:	--	\$6.53	\$7.38	\$8.19	\$8.84	\$9.28
Proposed Rates, Drought Stage 4 (\$/hcf)						
Users Subject to Uniform Commodity Charge:	--	\$7.53	\$8.51	\$9.45	\$10.21	\$10.72