

ORDINANCE NO. SD-06

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE COACHELLA SANITARY DISTRICT, CALIFORNIA, ADOPTING NEW OR INCREASED RATES FOR ITS SEWER SERVICE CHARGES COMMENCING JULY 1, 2018, AND MAKING CERTAIN FINDINGS AND TAKING OTHER ACTIONS RELATING THERETO.

WHEREAS, Coachella Sanitary District ("District") is a sanitary district duly organized and existing under and pursuant to the Sanitary District Act of 1923, Park 1 of Division 6 of the California Health and Safety Code (the "Act"); and

WHEREAS, the City Council of the City of Coachella (the "City") sits as the ex-officio Board of Directors of the District (the "Board"); and

WHEREAS, the District's costs of providing sewer service have risen, driven by increases in energy, operating, and capital costs; and

WHEREAS, pursuant to Health and Safety Code Section 5471, the Board is empowered to prescribe and collect rates and charges for services and facilities furnished by the District in connection with its sewerage system; and

WHEREAS, the District retained an independent rate consultant to conduct a rate study and cost of service analysis in order to determine the rates for the sewer service charges; and

WHEREAS, pursuant to the findings in such cost of service analysis and rate study, the District is proposing to adopt rates for sewer service charges for a four year period, commencing July 1, 2018 with adjustments each July 1 thereafter, through and including July 1, 2021; and

WHEREAS, the proposed rate structure for the sewer service charges is composed of six customer classes: single-family residential, multi-family/mobile units, commercial-low, commercial-medium, commercial-high, and institutional customers; and

WHEREAS, the proposed rates for single-family residential customers comprise a fixed monthly charged, billed on a semi-annual basis; and

WHEREAS, the remaining customer classes pay a fixed monthly charge, determined on the basis of the meter size serving such parcel, as well as a variable commodity charge, calculated based on the strength and amount of sewer flows and measured in units equal to one hundred cubic feet ("HCF") of flow; and

WHEREAS, the fixed monthly charge for such customers is designed to recover a portion of the District's costs in providing sewer service, and the variable commodity charge is designed to recover a portion of the fixed cost, as well as the variable costs of the District in providing sewer service; and

WHEREAS, the revenues derived from the proposed sewer service charges will not exceed the funds required to provide sewer service and shall be used exclusively for the operation and maintenance of the sewer system and providing such service; and

WHEREAS, the sewer service charges are equitable to all customers; and

WHEREAS, the amount of the proposed sewer service charges will not exceed the proportional cost of the sewer service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the proposed sewer service charges will not be imposed on a parcel unless sewer service is actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, article XIII D, section 6 of the California Constitution (“Article XIII D”) requires that prior to imposing any new property-related fee such as the sewer service charge, or any increase to existing sewer service charges, the District shall provide written notice (the “Notice”) by mail of the proposed increases to the sewer service charges to the record owner of each parcel upon which the sewer service charges are proposed for imposition and any tenant directly liable for payment of the sewer service charges, the amount of the sewer service charges proposed to be imposed on each parcel, the basis upon which the sewer service charges were calculated, the reason for the sewer service charges, and the date, time and location of a public hearing (the “Hearing”) on the proposed sewer service charges; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and tenants directly liable for the payment of the sewer service charges not less than forty-five days prior to the Hearing on the proposed sewer service charges; and

WHEREAS, the District did provide such Notice to the affected property owners and tenants in compliance with Article XIII D; and

WHEREAS, a public Hearing was held on February 14, 2018, noticed in the manner and for the time required by law; and

WHEREAS, at the Hearing, the Board considered all written materials and written protests to the proposed new or increased sewer service charges received prior to the close of the Hearing, and heard oral testimony concerning the establishment and imposition of the proposed sewer service charges, and at the close of the Hearing the District determined that it did not receive written protests against the establishment and imposition of the proposed sewer service charges from a majority of the affected property owners or tenants directly liable for the payment of such sewer service charges; and

WHEREAS, the District wishes to elect to collect the sewer service charges on the property tax roll as authorized under Health and Safety Codes section 5473, and accordance with the requirements therefor, previously caused a written report (the “Report”) to be prepared and filed containing a description of each parcel of real property receiving sewer services and the

amount of the sewer service charge for each parcel for the year, computed in accordance with the proposed sewer service charges set forth herein; and

WHEREAS, the District caused a notice of the filing of said Report and setting the time and place for a public hearing on said Report and to consider whether to place the sewer service charges on the property tax roll, to be held on February 14, 2018, as required in section 5473 *et seq.* in order to preserve the District's authority to place such sewer service charges on the tax roll; and

WHEREAS, the Board now desires to adopt the sewer service charges, and further desires to increase the maximum rate of such sewer service charges for a four-year commencing July 1, 2018, through and including July 1, 2021, in the maximum amounts and on the dates set forth in Exhibit A;

NOW, THEREFORE, BE IT ORDAINED, BY THE COACHELLA SANITARY DISTRICT, AS FOLLOWS:

1. The above recitals are true and correct.
2. To the extent the sewer service charges established by this Ordinance are inconsistent with the any other fee or charge previously adopted by the Board, it is the explicit intention of the Board that the sewer service charges adopted pursuant to this Ordinance shall prevail.
3. The Board of Directors hereby establishes, adopts and imposes the sewer service charges, in the amounts, on the dates, and up to the maximum rates set forth in Exhibit A, attached hereto and incorporated herein. The maximum rates for sewer service charges may be applied to sewer services provided on and after the effective date of each year as set as forth in Exhibit A.
4. The City Manager, acting as General Manager to the District, or his or her authorized designee, is hereby authorized and directed to take all actions necessary to implement and collect the sewer service charges, as set forth herein.
5. The Board of Directors finds that the administration, operation, maintenance, and improvements of the District's sewer system, which is to be funded by the sewer service charges and set forth herein, are necessary to maintain sewer service within the District's existing sewer service areas as described herein. The Board of Directors further finds that the administration, operation, maintenance and improvements of the District's sewer system, to be funded by the sewer service charges, will not expand the District's sewer system. The Board of Directors further finds that the adoption of the rates for the sewer service charges is necessary and reasonable to fund the administration, operation, maintenance and improvements of the District's sewer system. Based on these findings, the Board determines that the adoption of the sewer service charges established by this Ordinance are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the District, 1515

6th Street, Coachella, CA 92236. The custodian for these records is the City Clerk of the City, acting as Secretary of the District.

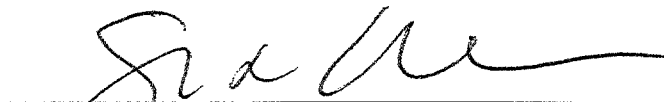
6. If any section, subsection, clause or phrase in this Ordinance or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Ordinance or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

7. This Ordinance shall take effect thirty days after its adoption.

8. That the City Clerk, acting as Secretary of the District, shall certify to the passage and adoption of this Ordinance; shall enter the same in the book of original Ordinances of said District; shall make a minute of passage and adoption thereof in the records of the proceedings of the District Board of said District, in the meetings of the meeting at which the Ordinance is passed and adopted; and shall, within fifteen (15) days after the passage and adoption thereof, cause the same to be published as required by law, in a local newspaper of general circulation and which is hereby designated for that purpose.

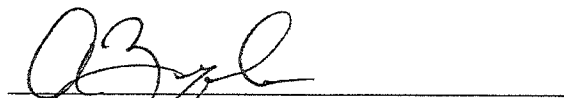
9. The rates set forth herein for the sewer service charges may be amended at any time in the future by resolution or ordinance, in accordance with the procedures set forth in article XIII D, section 6 and Health and Safety code section 5470 *et seq.*

PASSED, APPROVED and ADOPTED this 28th day of February, 2018.




Steven A. Hernandez
Mayor

ATTEST:



Angela M. Zepeda
City Clerk

APPROVED AS TO FORM:



Carlos Campos
City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF COACHELLA)

I HEREBY CERTIFY that the foregoing Ordinance No. SD-06 was duly and regularly introduced at a meeting of the City Council on the 14th day of February, 2018, and that thereafter the said ordinance was duly passed and adopted at a regular meeting of the City Council on the 28th day of February, 2018.

AYES: Councilmember Bautista, Councilmember Brown, Councilmember Martinez,
Mayor Pro Tem Sanchez, and Mayor Hernandez.

NOES: None.

ABSENT: None.

ABSTAIN: None.

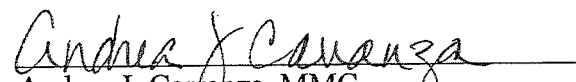

Andrea J. Carranza, MMC
Deputy City Clerk

EXHIBIT A

RATE SCHEDULE FOR SEWER SERVICE CHARGES

Single Family Residential Customers (Fixed Monthly Charge)

*Fixed monthly service charge reflects a monthly flat rate structure billed semi-annually on the county property tax roll.

Classification	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020	Effective 7/1/2021
Single Family Residential	\$44.22	\$45.99	\$47.83	\$49.74

Commercial and Multi-Family/Mobile Unit Customers

Fixed Service Charge				
Meter Size	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020	Effective 7/1/2021
5/8"	\$21.40	\$22.26	\$23.15	\$24.08
3/4"	\$21.40	\$22.26	\$23.15	\$24.08
1"	\$35.66	\$37.09	\$38.57	\$40.11
1 1/2"	\$71.33	\$74.18	\$77.15	\$80.24
2"	\$114.13	\$118.70	\$123.45	\$128.39
3"	\$228.25	\$237.38	\$246.88	\$256.76
4"	\$356.65	\$370.92	\$385.76	\$401.19
6"	\$713.30	\$741.83	\$771.50	\$802.36
8"	\$1,141.27	\$1,186.92	\$1,234.40	\$1,283.78

Variable Commodity Charge				
Classification	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020	Effective 7/1/2021
Multi-Family/ Mobile Units	\$3.15	\$3.28	\$3.41	\$3.55
Commercial Low	\$2.75	\$2.86	\$2.97	\$3.09
Commercial Medium	\$3.56	\$3.70	\$3.85	\$4.00
Commercial High	\$7.91	\$8.23	\$8.56	\$8.90
Institutional	\$2.70	\$2.81	\$2.92	\$3.04