

**AVILA BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2006 - 15
MONTHLY RATES AND CHARGES**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT
ADOPTING MONTHLY RATES AND CHARGES FOR WATER AND SEWER SERVICE**

WHEREAS, it is a major responsibility of the Avila Beach Community Services District ("District") to:

- A. Operate and maintain its water production and distribution facilities so as to provide adequate water service and fire protection to District water customers;
- B. Maintain adequate levels of revenue, equitably collected from District water customers, to meet the District's financial commitments including operation, maintenance, replacement and administrative costs of District's water production and distribution facilities, including contractual commitments for State Water and Lopez Water;
- C. Operate and maintain its wastewater distribution facilities so as to provide adequate wastewater treatment services to District's wastewater customers;
- D. Maintain equitable levels of revenue equitably collected from District wastewater customers, to meet the District's financial commitments including the operation, maintenance, replacement and administrative costs of District wastewater collection and treatment facilities; and

WHEREAS, Water Code §71616 provides:

§ 71616. Fixing of rates; revenues

A district, so far as practicable, shall fix such rates for water in the district, and in each improvement district therein, as will result in revenues which will:

- (a) Pay the operating expenses of the district and the improvement district.
- (b) Provide for repairs and depreciation of works.
- (c) Provide a reasonable surplus for improvements, extensions, and enlargements.
- (d) Pay the interest on any bonded debt.
- (e) Provide a sinking or other fund for the payment of the principal of such bonded debt as it becomes due.
- (f) Repay advances, together with interest at a rate not to exceed the interest value of money to the district, made from the district to an improvement district.

WHEREAS, the District Staff has prepared a Water and Wastewater Rate Report (herein "Report"). The Report includes an analysis of both the water and wastewater operating rates and charges for the District's Water and Sewer Divisions as provided in Water Code §71616. The intent of the Report is to assess the District's revenue requirements and to provide an evaluation of the equity of the District's current rate structure and the relationship (nexus) between the rates charged and the services provided. The Report further identifies a new rate structure that enables the District to meet revenue requirements for water and wastewater operations including the District's contractual commitments for State Water and Lopez Water while maintaining fairness and equity among existing and future rate payers; and

WHEREAS, the Report was received and filed on October 10, 2006 and has been available for public inspection at the District office since that date; and

WHEREAS, based upon facts and analysis presented by District Staff, the Report, the Staff Report, and public testimony received, the Board of Directors finds:

- A. The public meetings adopting this Resolution have been properly noticed pursuant to Government Code Section 54954.2 (The Brown Act);
- B. That notice has been provided as required by law including California Constitution Article XIII (D) (6); and
- C. On November 28, 2006, the District conducted a public hearing on the proposed rates and charges and to consider written protests.
- D. A majority of owners of identified parcels have not submitted written protests against the proposed rates or charges.
- E. The rates and charges imposed by this Resolution upon any parcel or person as an incident of property ownership within the District, do not exceed the estimated reasonable and proportional cost of providing the services; and
- F. The rates and charges established by this Resolution are imposed as an incident of requesting or using District water and wastewater treatment services.
- G. That the tiered water rate structure approved by this Resolution is implemented, in part, to achieve the goals of Section 2, Article X of the California Constitution and Section 100 of the California Water Code related to water conservation.
- H. That the District customers benefit from the logical, long-range approach to financing of public services.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the District as follows:

Section 1. Authority.

This Resolution is enacted pursuant to Government Code §§ 61100(a) and (b), 61115, and 61123 and Water Code §71616.

Section 2. Existing District Monthly Water Rates and Charges are repealed in their entirety and replaced with the Monthly Rates and Charges referenced in Exhibit "A", attached hereto and incorporated into this Resolution by reference.

Section 3. Existing District Monthly Sewer Rates and Charges are repealed in their entirety and replaced with the Monthly Rates and Charges referenced in Exhibit "A", attached hereto and incorporated into this Resolution by reference.

Section 4. Use of Revenues.

The revenue from the rates and charges imposed by this Resolution shall not be used for any purpose other than that for which the fee or charge is imposed.

Section 5. Incorporation of Recitals

The Recitals are true and correct and incorporated herein by this reference. The Recitals and referenced reports and studies contained therein constitute and support the findings of the District in support of the rates and charges adopted by this Resolution.

Section 6. Inconsistency.

To the extent that the terms of provision of this Resolution may be inconsistent or in conflict with the terms or conditions of any prior District Ordinances, Motions, Resolutions, Rules, or Regulations governing the same subject matter thereof, then such inconsistent and conflicting provisions of prior Ordinances, Motions, Resolutions, Rules, and Regulations are hereby repealed.

Section 7. Effect of Repeal on Past Actions and Obligations.

This Resolution does not affect prosecutions for violations committed prior to the effective date of this Resolution, does not waive any fee or penalty due and unpaid on the effective date of this Resolution.

Section 8. CEQA Findings.

The Board of Directors of the District finds that the fees and charges adopted by this Resolution are exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines Section 15273. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Section 9. Severance Clause.

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The Governing Board of the District hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 10. Effect of Headings in Resolution.

Title, division, part, chapter, article, and section headings contained herein do not in any manner affect the scope, meaning, or intent of the provisions of this Resolution.

Section 11. Effective Date.

This Resolution shall become effective immediately. The Rates and Charges adopted by this Resolution shall become effective as of January 1, 2007.

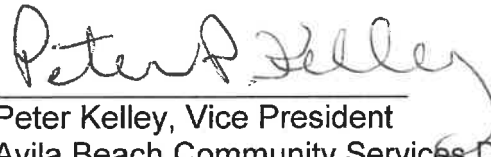
Adopted by the Board of Directors of the Avila Beach Community Services District on this 28th day of November 2006 by the following roll call vote, to wit:

AYES: Guernsey, Brown, Bernardo, Kelley

NOES: None

ABSENT: Helenius

CONFLICTS: None



Peter Kelley, Vice President
Avila Beach Community Services District
Board of Directors

ATTEST:

APPROVED AS TO FORM:



John Wallace
Secretary to the Board

JON S. SEITZ
District Legal Counsel

Current and Proposed Monthly Water and Sewer Service Rates

AVILA BEACH COMMUNITY SERVICES DISTRICT

SCHEDULE A

ABCSD PROPOSED RATE STRUCTURE EFFECTIVE 1/01/07

CLASS	WATER RATE Existing *	WATER RATE Proposed *	SEWER RATE Existing *	SEWER RATE Proposed *	MINIMUM USE Existing	WATER MINIMUM Existing	WATER MINIMUM Proposed	SEWER MINIMUM Existing	SEWER MINIMUM Proposed	TOTAL MINIMUM Existing	TOTAL MINIMUM Proposed
RESIDENTIAL	\$5.78	\$7.23	\$3.29	\$5.10	5 UNITS	\$28.90	\$36.15	\$16.45	\$25.50	\$45.35	\$61.65
MULTI-FAMILY	\$5.78	\$7.23	\$3.48	\$5.39	5 UNITS	\$28.90	\$36.15	\$17.39	\$26.95	\$46.29	\$63.10
RESTAURANTS	\$5.78	\$7.23	\$4.74	\$7.35	5 UNITS	\$28.90	\$36.15	\$23.72	\$36.77	\$62.62	\$72.92
COMMERCIAL/PUBLIC	\$5.78	\$7.23	\$4.43	\$6.87	5 UNITS	\$28.90	\$36.15	\$22.14	\$34.32	\$51.04	\$70.47
INDUSTRIAL/LAUNDRY	\$5.78	\$7.23	\$5.06	\$7.84	5 UNITS	\$28.90	\$36.15	\$25.30	\$39.22	\$54.20	\$75.37

* Rates shown are on a per unit basis
(100 cubic feet of water)
Proposed Water Rate Increase 25% effective January 1, 2007
Proposed Sewer Rate Increase 55% effective January 1, 2007
Proposed Water and Sewer Rate Increase 3% July 1, 2007
Service Rates to be adjusted 3% annually commencing 7/1/07
ABCSD PROPOSED RATE STRUCTURE EFFECTIVE 7/01/07

CLASS	WATER RATE Existing *	WATER RATE Proposed *	SEWER RATE Existing *	SEWER RATE Proposed *	MINIMUM USE Existing	WATER MINIMUM Existing	WATER MINIMUM Proposed	SEWER MINIMUM Existing	SEWER MINIMUM Proposed	TOTAL MINIMUM Existing	TOTAL MINIMUM Proposed
RESIDENTIAL	\$7.23	\$7.45	\$5.10	\$5.25	5 UNITS	\$36.15	\$37.23	\$25.50	\$26.27	\$61.65	\$63.50
MULTI-FAMILY	\$7.23	\$7.45	\$5.39	\$5.55	5 UNITS	\$36.15	\$37.23	\$26.95	\$27.76	\$63.10	\$64.99
RESTAURANTS	\$7.23	\$7.45	\$7.35	\$7.57	5 UNITS	\$36.15	\$37.23	\$36.77	\$37.85	\$72.92	\$75.09
COMMERCIAL/PUBLIC	\$7.23	\$7.45	\$6.87	\$7.08	5 UNITS	\$36.15	\$37.23	\$34.32	\$37.38	\$70.47	\$72.62
INDUSTRIAL/LAUNDRY	\$7.23	\$7.45	\$7.84	\$8.08	5 UNITS	\$36.15	\$37.23	\$39.22	\$40.38	\$75.37	\$77.61