

ORDINANCE NO. 183

**AN ORDINANCE OF THE VALLECITOS WATER DISTRICT
REPEALING ORDINANCE NOS. 75 AND 171, AND ESTABLISHING RATES,
RULES, AND REGULATIONS FOR WATER SERVICE**

BE IT ORDAINED by the Board of Directors of the Vallecitos Water District as follows:

SECTION 1: The Board of Directors finds and determines that the following facts are true and correct:

Section 1.1: The Vallecitos Water District ("District") has the authority to establish water rates and charges for services provided within the District boundaries in accordance with Water Code Section 31024, et seq.

Section 1.2: At least 45 days prior to September 18, 2013, public notice was provided detailing the need for increases and specifying uses of revenues generated from the increase.

Section 1.3: Having heard, reviewed and considered, the Cost of Service Study dated August 14, 2013, the staff report and information from interested persons who have had an opportunity to express their views, and being advised of the proposed changes and increases in rates, the Board of Directors finds that it is in the best interests of the District and the customers served to approve the changes in rates contained in this Ordinance.

SECTION 2: In accordance with the California Environmental Quality Act Guidelines Section 15061, the Board of Directors ordains that the water rate fees established by this ordinance are exempt from CEQA for the following reasons:

1. The water rates are not a "project" as defined by Guidelines Section 15378;
2. The project is exempt in accordance with Guidelines Section 15273(1), 15273(3), and 15274(4); and
3. The activity will not have any significant effect upon the environment pursuant to Guidelines Sections 15061(b) (3).

SECTION 3: The Board of Directors of the District orders and directs that the foregoing exemptions and reasons be made a part of the Notice of Exemption and that the Notice of Exemption be filed with the County Clerk of the County of San Diego.

SECTION 4: Ordinance Nos. 75 and 171 are repealed,

SECTION 5. Ready-To-Serve Charge:

Section 5.1: Wholesale Fixed Charges

San Diego County Water Authority (Water Authority) is the wholesale water purveyor. The Water Authority establishes fixed monthly charges and, by District policy, these charges automatically pass through to all customers served by the District in addition to the District retail Ready-to-Serve Charge. Charges may be modified by the wholesale agencies from time to time. The Ready-to-Serve charges for 2014/15 and 2015/16 include only estimates for wholesale rates. Significant variances in wholesale rates may cause these rates to be adjusted to accommodate the pass-through of the actual wholesale rates,

Section 5.2: Ready-To-Serve Charge Rate Schedule:

Monthly Ready-to-Serve (RTS) charges and effective dates are as follows:

Meter Size	RTS Effective October 2013			Total RTS Effective July	
	Retail	Wholesale	Total	2014	2015
5/8"	14.91	12.25	27.16	29.29	31.42
3/4"	20.09	14.59	34.68	35.60	36.52
1"	31.95	23.34	55.29	55.29	55.29
1 1/2"	63.90	46.69	110.59	110.59	110.59
2"	102.24	75.87	178.11	178.11	178.11
3"	204.48	151.74	356.22	356.22	356.22
4"	319.50	233.44	552.94	552.94	552.94
6"	639.00	466.88	1,105.88	1,105.88	1,105.88
10"	1,469.70	1,079.66	2,549.36	2,549.36	2,549.36
Additional living unit	8.29	6.14	14.43	16.35	18.26
Temporary construction	140.57	-	140.57	172.52	204.48
Fire service per diameter"	4.13	-	4.13	5.00	5.87

Section 5.3: Additional Living Unit:

In addition to the monthly Ready-to-Serve charge based on meter size, on meters that serve more than one dwelling unit, there will be a monthly Additional Unit, or Multiple Unit Charge as noted in the preceding table for each dwelling space exceeding the first one.

SECTION 6: COMMODITY CHARGE:Section 6.1: Wholesale Commodity Charges

The Water Authority is the wholesale water purveyor, who establishes wholesale commodity charges. By District policy, these charges automatically pass through to all customers served by the District on a per-water-unit consumed basis in addition to the District retail commodity rate. The current wholesale charges may be modified by the wholesale agencies from time to time. The 2015 commodity rates include only an estimate for wholesale rates. Significant variances in wholesale rates may cause these rates to be adjusted to accommodate the pass-through of the actual wholesale rates.

Section 6.2: Retail Commodity Charge:

In addition to the monthly retail Ready-to-Serve Charge, all water delivered through a water meter for all classes of service will be charged retail rates, in addition to the wholesale pass-through.

Section 6.3: Commodity Rate and Tier Schedule (Non-Drought):

Commodity rates per unit and effective dates are as follows. One unit equals 748 gallons or 100 cubic feet of water:

	Effective January 1, 2014			Effective July 1, 2014			Total Effective Jan. 1, 2015
	Retail	Wholesale	Total	Retail	Wholesale	Total	
Tier 1	\$ 0.89	\$ 2.52	\$ 3.41	\$ -	\$ 2.52	\$ 2.52	\$ 2.66
Tier 2	1.74	2.52	4.26	1.10	2.52	3.62	3.70
Tier 3	2.60	2.52	5.12	2.01	2.52	4.53	4.92
Tier 4				2.91	2.52	5.43	7.03

The Tier 1 rate effective July 1, 2014 and thereafter, shall be set at the wholesale cost of water. The January 1, 2015 wholesale cost is estimated at \$2.66 per unit, but will be set to reflect the actual wholesale cost of water. Tiers 2 through 4 include wholesale costs passed through and may change to reflect the actual cost of water on 2015.

Non drought tier ranges in units of use effective January 1, 2014, are as follows:

	Tier 1	Tier 2	Tier 3
Multi-family per living unit	1 - 6	7 - 11	12 and up
5/8" and 3/4" meters	1 - 17	18 - 36	37 and up
1" meters	1 - 60	61 - 214	215 and up
1 1/2" meters	1 - 157	158 - 627	628 and up
2" meters	1 - 242	243 - 806	807 and up
3" and larger meters	1 - 1,133	1,134-3,970	3,971 and up
Certified Agricultural	1 and up	-	-
Temporary construction meters		-	1 and up

Multi-family meters are tiered separate from other categories. Multi-family includes services providing water to more than three living units. Multi-family services serving three units or less will be categorized by meter size.

Non drought tier ranges in units of use effective July 1, 2014, are as follows:

	Tier 1	Tier 2	Tier 3	Tier 4
Multi-family all meter sizes	1 - 5	3 - 6 per unit	7 - 11 per unit	12 and up per unit
5/8" and 3/4" meters	1 - 5	6 - 17	18 - 36	37 and up
1" meters	1 - 5	6 - 60	61 - 214	215 and up
1 1/2" meters	1 - 5	6 - 157	158 - 627	628 and up
2" meters	1 - 5	6 - 242	243 - 806	807 and up
3" and larger meters	1 - 5	6 - 1,133	1,134-3,970	3,971 and up
Certified Agricultural	1 - 5	6 - up	-	-
Temporary construction meters		-	-	1 and up

Section 6.4: Special Agricultural Water Rate:

Agricultural customers that are certified by the Vallecitos Water District as having at least one acre fully planted for commercial use and meeting other requirements, and participate in the Water Authority's Special Agricultural Water Rate program receive a discount in 2014 of 65¢ on each unit (100 cubic feet) of agricultural water metered. For customers with domestic and agricultural water combined through the same meter, the first 26 units on usage are considered domestic and not agricultural use. The 2015 discount will be determined when the Water Authority adopts 2015 rates.

Section 6.5: Commodity Rate and Tier Schedules (Drought):

During Level 2 and above Drought alerts, the following rates will be in effect. The rates are expressed as a multiple of the then current Tier 2 rate. Rates may be adjusted for exact levels of mandated conservation.

	Level 2	Level 3
	20% Cutback	40% Cutback
Tier 1	Wholesale rate	Wholesale rate
Tier 2	1.00	1.00
Tier 3	1.20	1.40
Tier 4	1.40	2.30
Tier 5	2.30	3.00
Tier 6	3.00	4.60
Tier 7	4.60	6.20

Drought Rate Tier Schedule in units (one unit equals 748 gallons or 100 cubic feet):

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7
Multi-family all meter sizes	1 - 5	3-5 per unit	6 per unit	7-8 per unit	9-11 per unit	12-15 per unit	16 & up per unit
5/8" and 3/4" meters	1 - 5	6 - 11	12 - 17	18 - 21	22 - 36	37 - 53	54 and up
1" meters	1 - 5	6 - 39	40 - 60	61 - 73	74 - 214	215 - 314	315 and up
1 1/2" meters	1 - 5	6 - 102	103 - 157	158 - 192	193 - 627	628 - 963	964 and up
2" meters	1 - 5	6 - 157	158 - 242	243 - 298	299 - 806	807 - 1088	1089 and up
3" and larger meters	1 - 5	6 - 733	734 - 1133	1134-1384	1,385- 3,970	3,971 - 4,947	4,948 and up
Certified Agricultural	1 - 5	6 - up	7 - up	-	-	-	-
Temporary construction meters		-	-	-	-	-	1 and up

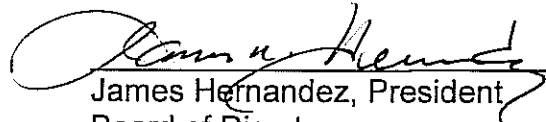
Certified agricultural customers that participate in the Water Authority's Special Agricultural Water Rate program are subject to the program drought penalty structure and not the drought rates and tiers noted above.

SECTION 7: This Ordinance shall become effective upon adoption. This ordinance shall be published one (1) time in an adjudicated newspaper of general circulation within the District within 10 days of adoption.

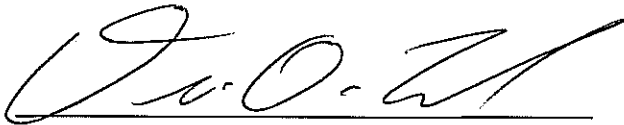
ALL OTHER ORDINANCES, ARTICLES OR SECTIONS OF ORDINANCES, OR AMENDMENTS IN CONFLICT HEREWITH ARE HEREBY REPEALED.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Vallecitos Water District at a special meeting held this 2nd day of October, 2013, by the following roll call vote:

AYES: EVANS, MARTIN, POLTL, HERNANDEZ
NOES:
ABSTAIN:
ABSENT: FERGUSON


James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:


Dennis O. Lamb, Secretary
Board of Directors
Vallecitos Water District