

RESOLUTION NO. 2678

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASTAIC LAKE WATER AGENCY APPROVING
THE SANTA CLARITA WATER DIVISION
SETTING RETAIL WATER RATES FOR 2010, 2011 AND 2012**

WHEREAS, pursuant to Water Code Appendix Section 103-24, the Board of Directors of the Castaic Lake Water Agency (CLWA) through its Santa Clarita Water Division (SCWD), has the authority to set retail water rates and, in fact, is required to set rates at a level which will pay for the provision of water services; and

WHEREAS, in setting such rates, SCWD must comply with the provisions of other applicable laws, including but not limited to California Constitution Article XIII, Section D and CEQA; and

WHEREAS, the rate increase here is subject to the substantive and procedural requirements of Proposition 218 (California Constitution Art. XIII D), and all such requirements have been met, as explained herein; and

WHEREAS, pursuant to California Constitution Art. XIID and its enabling legislation, Government Code Section 53750, mailed notice of a water rate increase must be provided to identified property owners, as defined to include tenants who are responsible for payment of water bills, which notice must identify the property, explain the maximum rate proposed, the reason for the increase and the way in which it was calculated, and give notice of a public hearing on such increase set at least 45 days after mailing of the notice; and

WHEREAS, such notice must clearly explain how the customer can determine the maximum water rate that could be charged during the coming three years; and

WHEREAS, such notice must be mailed at least 45 days in advance of a public hearing on such increase, which public hearing was scheduled by SCWD for September 9, 2009; and

WHEREAS, to comply with this requirement in the broadest possible way, on July 10 to July 22, 2009, SCWD mailed notice of the proposed rate increase, in the form attached and incorporated as Exhibit A (the "Notice"), to the following: (1) property owners who also are water customers, (2) tenants responsible for water bills who are water customers and (3) owners of vacant property within SCWD's service area according to the Los Angeles County Assessor's records; and

WHEREAS, such Notice meets the requirements of California Constitution Art. XIID as set out above and was mailed over 45 days before the hearing as shown by the proof of mailing attached as Exhibit B; and

WHEREAS, on or about July 9, 2009, SCWD made available for review at SCWD's Administrative office the complete rate study by CDM titled "Comprehensive Water Rate Study and Impact/Capacity Fee Analysis" which provides evidentiary support for the rate increase and related statements set out in this Resolution; and

WHEREAS, as explained in the Notice and the "Comprehensive Water Rate Study and Impact/Capacity Fee Analysis," the rate increase is not being used for a general governmental purpose but to pay for water service actually provided to the property identified in the Notice; and

WHEREAS, the revenues from water rates do not exceed the amount required to provide such water service; and

WHEREAS, the revenues collected from water rates have been and will be used only to pay for the water services for which they were collected; and

WHEREAS, the rates are structured so that single-family residential customers have an inclining block tiered rate to promote conservation of water. Irrigation customers have a separate uniform water rate to increase awareness of the cost of local and imported water supplies, encourage conservation, and fund SCWD's conservation programs directed at the irrigation customers. All other customers have a uniform water rate without tiers; and

WHEREAS, the amounts for power and purchased water costs are passed through in all three water rates. Subject to the procedural and substantive requirements of Government Code Section 53756, the Board may provide for automatic adjustments to the water rates set forth herein that pass through the adopted increases or decreases in the wholesale charges for water established by another agency; and

WHEREAS, the water service provided is not a standby charge, but for water immediately available to the property identified; and

WHEREAS, on September 9, 2009, the Board conducted a public hearing on the proposed water rate increases; and

WHEREAS, the Board considered all comments, for and against, such water rate increases, and specifically considered all protests, written and oral, against the proposed increases, and entered such written protests into the record of such hearing; and

WHEREAS, Article XIII D provides that if a majority of owners of the identified property protest the rate in writing, the Board may not impose it; and

WHEREAS, there are 25,895 owners of identified parcel, of which a majority would be 12,948; and

WHEREAS, 63 owners of identified property filed written protests at or before the time for hearing; which are less than 50% of the property owners in the SCWD service area.

NOW, THEREFORE, BE IT RESOLVED THE BOARD OF DIRECTORS OF THE CASTAIC LAKE WATER AGENCY RESOLVES AND ORDERS AS FOLLOWS.

All Recitals set out above are true and correct.

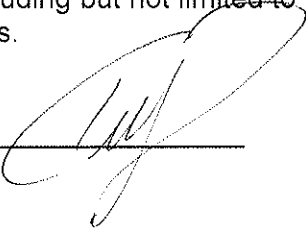
Based upon substantial evidence presented to the Board in the form of the "Comprehensive Water Rate Study and Impact/Capacity Fee Analysis," the Board finds that the water rates adopted in this Resolution do not exceed the reasonable cost of providing the service and will be sufficient to fund the Santa Clarita Water Division's (1) operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing of supplies, equipment and materials; (3) financial reserve needs and requirements, and (4) capital projects necessary to maintain service within SCWD's existing service area.

The water rates for the Santa Clarita Water Division shall be established in the amounts set out in the "Comprehensive Water Rate Study and Impact/Capacity Fee Analysis," which are separately set out on Exhibit C, attached and incorporated, effective as of January 1, 2010, 2011 and 2012; and

CEQA: The Board is adopting the rate increases for the purpose of (1) meeting SCWD's operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment, or materials, (3) meeting SCWD's financial reserve needs and requirements, and (4) obtaining funds for capital projects, necessary to maintain service within SCWD's existing service area. Therefore, the Board finds and determines, based upon substantial evidence, that the establishment of the rates herein is exempt from CEQA, pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273(a) of the State CEQA Guidelines, because the establishment of the water rates is for the purpose of (1) meeting SCWD's operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment, or materials, (3) meeting SCWD's financial reserve needs and requirements, and (4) obtaining funds for capital projects, necessary to maintain service within SCWD's existing service area.

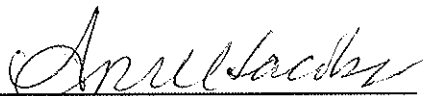
Staff is directed to take any and all steps necessary to implement such rates, including but not limited to filing a notice of exemption and paying any applicable fees.

President



I, the undersigned, hereby certify I am the duly appointed and acting Secretary of the Castaic Lake Water Agency and at a regular meeting of the Board of Directors of said Agency held on Wednesday, September 9, 2009, the foregoing Resolution No. 2678 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and it is now in full force and effect.

DATED: September 9, 2009



April Jacobs, Secretary