



RESOLUTION NO. 5.1-2017

**ROWLAND WATER DISTRICT
RESOLUTION OF THE BOARD OF DIRECTORS
ADOPTING RATES FOR A POTABLE WATER CAPACITY FEE,
AND TAKING CERTAIN OTHER ACTIONS RELATING THERETO**

WHEREAS, the Rowland Water District ("District") is organized and operates pursuant to the County Water District Law, commencing with Section 30000 of the California Water Code (the "County Water District Law"); and

WHEREAS, pursuant to California Government Code section 66013, the District is authorized to impose capacity charges for public facilities in existence at the time the charge is imposed or for new facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the District involving capital expense relating to its use of existing or new public facilities; and

WHEREAS, the District has made significant investments in its potable water system, and will be making additional in the future to ensure there is sufficient capacity in its system to serve all customers connected to its potable water system; and

WHEREAS, the District is considering the adoption of new rates for its "Potable Water Capacity Fee" pursuant to California Government Code Section 66013, to fund potable water capital improvements; and

WHEREAS, the proposed Potable Water Capacity Fee is a "Capacity Charge" within the meaning of California Government Code Section 66013; and

WHEREAS, the District retained NBS for the purpose of preparing a Potable Water Capacity Fee Study and Construction Rate Analysis (the "Fee Study"), analyzing the District's existing potable water assets, in addition to future capital improvement plans necessary to offset the impacts of future development on the District's water system, which Fee Study is on file with the District and available for inspection; and

WHEREAS, the District Board of Directors has reviewed the data and recommendations prepared by NBS, and has determined that: (1) the rates for the Potable Water Capacity Fee do not exceed the estimated reasonable cost of the services and facilities for which a Potable Water Capacity Fee will be imposed; and (2) the allocation of those costs are fair or reasonable in relationship to the burdens on, or benefits that those who pay a Potable Water Capacity Fee will receive from such services and facilities; and

WHEREAS, a Potable Water Capacity Fee will be imposed on any property or any person requesting a new, additional, or larger connection to the District's potable water system, and the amount of the Potable Water Capacity Fee imposed shall be equal to the reasonable cost of providing the service for which the Potable Water Capacity Fee will be charged, as determined by the size of the meter serving the property and as forth in this Resolution; and

WHEREAS, the District has complied with the procedural requirements as set forth in Government Code Section 66016; and

WHEREAS, the District's Board of Directors has carefully reviewed the Fee Study and has considered the public and Board of Directors' comments, and the oral and written presentation by the District's staff made at the May 16, 2017 public meeting, as well as any written public comments.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Rowland Water District as follows:

Section 1. The matters set forth in the recitals to this Resolution are true and correct statements and by this reference incorporated herein and made findings and determinations of the Board of Directors.

Section 2. (a) The District, as lead agency under the California Environmental Quality Act ("CEQA"), has evaluated the potential environmental impacts of the proposed rates and Potable Water Capacity Fee. As the decision making body for the District, the Board of Directors has reviewed and considered the information contained in the administrative record for the adoption of the proposed rates for the Potable Water Capacity Fee.

(b) The Board of Directors finds that the proposed rates and Potable Water Capacity Fee are intended to fund capital improvement projects related to the District's need to finance capital improvements necessary to serve a new development and to provide equity between new development and existing customers. The proposed rates and fee do not commit the District to approve any particular project, program, or capital improvement, but will be placed in a separate fund for potential future projects. The proposed rates and Potable Water Capacity Fee are in response to the District's projected need for additional facilities and infrastructure to provide services to new development. Any activities, including infrastructure improvements, to be funded by Potable Water Capacity Fees will be subject to future environmental review under CEQA, as applicable, prior to District approval.

(c) The Board of Directors therefore finds the proposed rates and Potable Water Capacity Fee are not subject to environmental review under CEQA. First, the proposed rates and Potable Water Capacity Fee, in and of themselves, do not have potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical

change in the environment and therefore are not considered a “project” under CEQA. (Pub. Resources Code, § 21065, 14 Cal. Code Regs., § 15378, subd. (a).) Second, the Potable Water Capacity Fees are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment; here, there is no possibility that the proposed rates and Potable Water Capacity Fee, in and of themselves, may have a significant effect on the environment. (14 Cal. Code Regs., § 15061, subd. (b)(3).) And third, the proposed rates and Potable Water Capacity Fee are considered a government funding mechanism that does not involve any commitment on behalf of the District to any specific project which may result in a potentially significant physical impact on the environment. (14 Cal. Code Regs., § 15378, subd. (b)(4).)

(d) The determination that the proposed rates and Potable Water Capacity Fee are not subject to CEQA review reflects the Board of Directors’ independent judgment and analysis.

(e) The documents and materials that constitute the record of proceedings on which these findings have been based are located at the offices of the District, 3021 Fullerton Road, Rowland Heights, California. The custodian for these records is the Secretary of the Board of Directors of the District.

Section 3. The Board of Directors hereby adopts the Potable Water Capacity Fee at the rates set forth below:

Meter Size	Maximum Rates for Potable Water Capacity Fees (Effective June 1, 2017)
1 inch	\$3,685
1 1/2 inch	\$18,424
2 inch	\$29,478
3 inch	\$58,956
4 inch	\$92,118
6 inch	\$184,237
8 inch	\$294,779
10 inch	\$773,794
12 inch	\$976,455

Section 4. A Potable Water Capacity Fee shall be imposed on any property or any person requesting a new, additional, or larger connection to the District’s potable water system, and the amount of the Potable Water Capacity Fee imposed shall vary in accordance with the size of the meter serving the property, and shall equal the reasonable cost of providing the service for which the Potable Water Capacity Fee is imposed.

Section 5. On January 1, 2018, and each January 1 thereafter, the rates for the Potable Water Capacity Fee set forth in Section 3 above may be adjusted for inflation each year using the Handy-Whitman Index for that year.

Section 6. To the extent that the rates for the Potable Water Capacity Fee established by this Resolution are inconsistent with any rates, fees or charges previously adopted by the District, it is the explicit intention of the Board of Directors of the District that the rates for the Potable Water Capacity Fee adopted in this Resolution shall prevail.

Section 7. If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution 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 Resolution 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.

Section 8. The General Manager of the District is authorized and directed to take all actions necessary to implement the new rates for the Potable Water Capacity Fee effective June 1, 2017, and to file a Notice of Exemption for the Potable Water Capacity Fee with the County Clerk for the County of Los Angeles within five working days of the date of the adoption of this Resolution.

Section 9. This Resolution shall take effect immediately.

ADOPTED at a regular meeting of the Board of Directors of the Rowland Water District held on May 16, 2017, by the following vote, to wit:

AYES:	Directors Lu-Yang, Lim and Bellah
NOES:	None
ABSTAIN:	None
ABSENT:	Directors Lewis and Rios

ATTEST:



TOM COLEMAN
Board Secretary



SZU PEI LU-YANG
Board President