

RESOLUTION NO. 2023-010

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SPALDING COMMUNITY SERVICES DISTRICT ESTABLISHING RATES FOR SEWER SERVICE FEES

WHEREAS, the Board of Directors of the Spalding Community Services District (the "District") previously adopted Ordinance No. 4 which established and imposed fees for sewer services ("Sewer Fees") at the rates set forth therein; and

WHEREAS, the District determined to undertake a rate study to analyze the revenue requirements and the rate structure that should be adopted to proportionately allocate the costs of providing water service to its water customers; and

WHEREAS, the rate study determined that the existing water system revenues are and will be insufficient to cover: (i) current and projected increases in the operations and maintenance costs of the District's Sewer System (the "System"); and (ii) the capital infrastructure improvements needed to repair, replace, and update the District's aging Sewer System, and

WHEREAS, the District must generate revenues in an amount sufficient to cover the District's ongoing costs of the System's operations, maintenance, and capital facilities; and

WHEREAS, the rate study determined that increases to the schedule of rates for the Sewer Fees are necessary for a five-year period to generate revenues sufficient to cover the District's ongoing costs of the System's operations, maintenance, and capital facilities; and

WHEREAS, the schedule of rates for the Sewer Fees is attached hereto as Exhibit A, and by this reference incorporated herein; and

WHEREAS, California Constitution article XIII D, section 6 ("Article XIII D") requires that prior to imposing any increase to the Service Fees, the District shall provide written notice (the "Notice") by mail of the proposed increases to the rates for the Service Fees to the record owner of each parcel upon which the rate increases to the Service Fees are proposed for imposition and any tenant directly liable for payment of such Service Fees, the amount of the rates for the Service Fees proposed to be imposed on each parcel, the basis upon which the rates for the Service Fees were calculated, the reason for the rate increases to the Service Fees, and the date time and location of a public hearing (the "Hearing") on the proposed rate increases to the Service Fees; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the

Service Fees not less than forty-five days prior to the Hearing on the proposed rates; and

WHEREAS, the District did provide such Notice to the affected property owners and tenants of the proposed rate increases to the Service Fees in compliance with Article XIII D; and

WHEREAS, the Hearing was held on September 15, 2023; and

WHEREAS, at the Hearing, the Board of Directors of the District heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases to the Sewer Fees, and at the close of the Hearing the District did not receive written protests against the establishment and imposition of the proposed rate increases to the Sewer Fees from a majority of the affected property owners and tenants directly liable for the payment of the Service Fees; and

WHEREAS, the Board of Directors of the District now desires to establish and impose the proposed rate increases to the Sewer Fees as set forth in Exhibit A hereto; and

WHEREAS, the Board of Directors hereby finds and determines that (i) the revenues derived from the Sewer Fees will not exceed the funds required to provide the sewer services and shall be used exclusively for the System; (ii) the amount of the Sewer Fees will not exceed the proportional cost of the service attributable to each parcel upon which they are imposed; and (iii) the Sewer Fees will not be imposed on a parcel unless the sewer services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, the District has determined that this Resolution is exempt from CEQA review under Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273 because the Service Fees are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System and will not result in the expansion of the System; and

WHEREAS, this Resolution shall supersede all other previous resolutions and ordinances that may conflict with, or be contrary to, this Resolution respecting the rates for Sewer Fees described more particularly herein; and

WHEREAS, this Resolution shall adopt the Sewer Fees described more particularly herein as they were presented to the public in the Notice.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Spalding Community Services District as follows:

1. The Board of Directors of the District finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein.

2. The Board of Directors hereby establishes and imposes the Sewer Fees set forth in Exhibit A, effective on the dates, at the rates, and in the amounts set forth therein.

3. As the decision making body for the District, the Board of Directors has reviewed and considered the information contained in the Preliminary Exemption Assessment and administrative record. The Board of Directors finds that the Preliminary Exemption Assessment contains a complete and accurate reporting of the environmental impacts associated with the adoption of this Resolution and reflects the independent judgment of the Board of Directors.

4. The Board of Directors hereby finds that the administration, operation, maintenance, and improvements of the System, which are to be funded by the Sewer Fees, are necessary to maintain service within the District's existing service area. The Board of Directors further finds that the administration, operation, maintenance, and improvements of the System, to be funded by the Sewer Fees set forth herein, will not expand the System. The Board of Directors further finds that such Sewer Fees are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System. Based on these findings, the Board of Directors hereby determines that this Resolution is exempt from the requirements of CEQA pursuant to California Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273(a).

5. The documents and materials that constitute the record of proceedings on which these findings have been based are located at Spalding Community Service District, 502-907 Mahogany Way, Spalding, CA 96130. The custodian for these records is the Secretary of the Board of Directors of the District.

6. The Board of Directors hereby authorizes and directs the District General Manager to implement and take all actions necessary to effectuate the rates for the Service Fees set forth herein and to file a Notice of Exemption with the County Clerk for the County of Lassen within five (5) working days of the date of the adoption of this Resolution.

7. If any section, subsection, subdivision, sentence, clause, or phrase in this Resolution or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Resolution or any part thereof. The Board of Directors hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

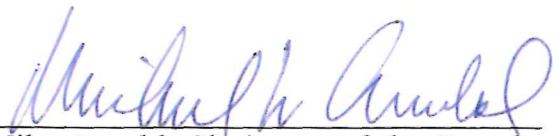
8. This Resolution shall become effective January 1, 2024 upon its adoption.

PASSED, APPROVED AND ADOPTED this 15th day of September, 2023 by the following vote:

AYES: 5. Mike Arnold, Ted Thomas, Larry Doss
Ed Lawson - Randy Aubrey

NOES: 0

ABSTAIN:



Mike Arnold, Chairman of the Board
Board of Directors
Spalding Community Services District

Attest:

Secretary of the Board of Directors,
Spalding Community Services District

EXHIBIT A

SEWER SERVICE FEES MONTHLY RATES FOR SEWER SERVICE FEES

| Charge based on Customer Classification | Effective 11/01/2023 | Effective 07/01/2024 | Effective 07/01/2025 | Effective 07/01/2026 | Effective 07/01/2027 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Base Charge | | | | | |
| Residential | \$36.00 | \$42.00 | Up to 4% increase | Up to 4% increase | Up to 4% increase |
| Commercial | \$36.00 | \$42.00 | Up to 4% increase | Up to 4% increase | Up to 4% increase |

SPALDING COMMUNITY SERVICE DISTRICT
Resolution 2023-09

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SPALDING
COMMUNITY SERVICES DISTRICT CALLING FOR A HEARING PURSUANT TO
PROPOSITION 218 REGARDING PROPOSED ADJUSTMENTS TO SEWER
SERVICE FEES**

WHEREAS, in 2012, the Board of Directors of the Spalding Community Services District (the "District") previously adopted Resolution 2012-02 which established and imposed fees for sewer services (the "Service Fees") at the rates set forth therein; and

WHEREAS, in 2022 and 2023, the District undertook a rate study to analyze the current and future revenue requirements and the rate structure that should be adopted to proportionately allocate the costs of providing sewer service to its customers (the "2023 Rate Study"); and

WHEREAS, the 2023 Rate Study determined that the existing sewer system revenues are and will be insufficient to cover: (i) current and projected increases in the operations and maintenance costs of the District's sewer systems (the "Systems"); and (ii) the capital infrastructure improvements needed to repair, replace, and update the District's aging Systems, which would include acquisition of materials and supplies; labor and administration, and maintenance of adequate cash reserves; and

WHEREAS, the District must generate revenues in an amount sufficient to cover the District's ongoing costs of the Systems' operations, maintenance, and capital facilities; and

WHEREAS, California Constitution article XIII D, section 6 ("Article XIII D") requires that, prior to imposing any increase to the Service Fees, the District provide written notice of the following information (the "Notice") to the record owner of each parcel upon which the rate increases are proposed: (i) the amount of the rates for the Service Fees proposed to be imposed on each parcel, (ii) the basis upon which the rates for the Service Fees were calculated, (iii) the reason for the rate increases to the Service Fees, and (iv) the date time and location of the public hearing (the "Hearing") on the proposed rate increases; and

WHEREAS, pursuant to Article XIII D, the Notice is required to be provided to the affected property owners not less than forty-five days prior to the Hearing on the proposed rates.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Spalding Community Services District as follows:

1. The Board of Directors finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein by reference.
2. The Board of Directors hereby finds and determines that the rate increases to the Service Fees set forth in Exhibit "A" attached hereto and incorporated herein by reference are to be

proposed and considered pursuant to the requirements of Article XIII D at a public hearing to be held on September 15, 2023 (the "Public Hearing").

3. The Board of Directors hereby directs the District General Manager, or her designee, to mail, no later than August 1, 2023 the Notice pursuant to the requirements set forth in Article XIII D to the record owner of each parcel upon which the rate increases to the Service Fees are proposed for imposition and any known tenant directly liable for payment of the Service Fees.

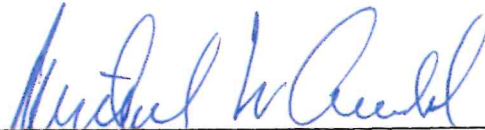
4. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 31st day of July, 2023 by the following vote:

AYES: 4 Mike, Ted, Larry & Ed

NOES: 1 Randy

ABSTAIN:



Mike Arnold, President
Board of Directors
Spalding Community Services District

Attest:

Secretary of the Board of Directors,
Spalding Community Services District

Spalding Cost of Services Analysis

(RATE STUDY)

07/31/23

EXHIBIT A

It is recommended that a \$10 per month increase be utilized for the Fiscal Year 2023/2024, retroactive from July 1, 2023; and a rate increase of \$6.00 for Fiscal Year 2024/2025. There will be up to a 4% increase based on the Cost of Living Index (Fiscal Years 2024/2025 through 2027/2028).