

BASIS OF THE CSD'S AUTHORITY TO ASSESS RATES

WHEREAS the District was formed for the purpose of providing water production and distribution and sewage collection and disposal services for its property owners.

WHEREAS the District has the power to supply water (Government Code section 61100(a)) and collect, treat or dispose of sewage (Government Code section 61100(b)).

61100(a) Supply water for any beneficial uses, in the same manner as a municipal water district, formed pursuant to the Municipal Water District Law of 1911, Division 20 (commencing with Section 71000) of the Water Code . In the case of any conflict between that division and this division, the provisions of this division shall prevail.

61100(b) Collect, treat, or dispose of sewage, wastewater, recycled water, and storm water, in the same manner as a sanitary district, formed pursuant to the Sanitary District Act of 1923, Division 6 (commencing with Section 6400) of the Health and Safety Code . In the case of any conflict between that division and this division, the provisions of this division shall prevail.

WHEREAS, the District is authorized by Government Code section 61124 to charge standby charges for water and sewer services pursuant to the Uniform Standby Charge Procedures Act, Government Code section 54984 *et seq.*;

54984.2. Any local agency which is authorized by law to provide water, sewer, or water and sewer service, and which is providing either or both of those services within its jurisdiction, may fix, before either... (b) the start of the fiscal year with respect to local agencies the taxes or assessments of which are collected by the local agency, a water or sewer standby charge, or both, on land within the jurisdiction of the local agency to which water, sewer, or water and sewer services are made available for any purpose by the agency, ***whether the water or sewer services are actually used or not.***

54984.3. The governing body of the local agency shall **adopt a resolution to initiate proceedings to fix a standby charge**. The resolution shall contain all of the following:

54984.4. (a) The local agency shall comply with the notice, protest, and hearing procedures in Section 53753. (b) In the absence of a majority protest, as defined in subdivision (e) of Section 53753, the governing body of the local agency may determine to fix the charge.

54984.7. If the procedures set forth in this chapter at the time a charge was established were followed, ***the governing body may, by resolution, continue a charge pursuant to Section 54984.2 in successive years at the same rate.*** If new, increased, or extended assessments are proposed, the governing body shall comply with the notice, protest, and hearing procedures in Section 53753.

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WHEREAS, the Board of Directors commissioned a engineer's report in conformance with the requirements of Article XIID of the California Constitution and the Uniform Standby Charge Procedures Act;

Article XIID, Section 3, (a) No tax, assessment, fee, or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except:

(3) Assessments as provided by this article.

(4) Fees or charges for property related services as provided by this article.

Article XIID, Section 4, (b) All assessments shall be **supported by a detailed engineer's report** prepared by a registered professional engineer certified by the State of California.

Article XIID, Section 6, (b) Requirements for Existing, New or Increased Fees and Charges. A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

(1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.

(2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.

(3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.

(4) No fee or charge may be imposed for a service unless that service is actually used by, **or immediately available to**, the owner of the property in question.

Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.

Article XIID, Section 6, (c) Voter Approval for New or Increased Fees and Charges. **Except for fees or charges for sewer, water, and refuse collection services**, no property related fee or charge shall be imposed or increased unless and until that fee or charge is submitted and approved by a majority vote of the property owners