

ORDINANCE NO. 100

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
TWENTYNINE PALMS WATER DISTRICT ADJUSTING THE
WATER CAPITAL FACILITY FEES AND TAKING OTHER
ACTIONS RELATED THERETO**

WHEREAS, the Twentynine Palms Water District (the "District") operates and is organized under Water Code section 30000 et seq.; and

WHEREAS, the District is authorized to fix and collect charges for the provision of services provided by the District; and

WHEREAS, the District retained an independent consultant prepared and submitted to the Board a written study titled Final Technical Memorandum ("Study"), dated February 19, 2021, which calculates the value of capacity in the District's water system for future service connections and which recommends a fee structure to pay for capacity in the water system; and

WHEREAS, the District's Board of Directors ("Board") finds that it is appropriate at this time to adjust the increase of the Water Capital Facility Fee (the "Fee"), based on the findings and analysis contained in the Study, and to adjust the Administrative Code as needed; and

WHEREAS, the Study calculates a Meter Equivalent Unit ("MEU") of water to be a 5/8" and 3/4" meter; and

WHEREAS, the Board has determined, based on the Study, that: (1) its proposed Fees do not exceed the estimated reasonable cost of the services and facilities for which the Fees will be imposed; and (2) the allocation of those costs bear a fair or reasonable in relationship to the burdens on, or benefits that those who pay the Fees will receive from such services and facilities; and

WHEREAS, the public meeting to consider the Fees set forth in this Ordinance has been held in compliance with Government Code Section 66016;

NOW THEREFORE, BE IT ORDAINED, by the Board of Directors of the Twentynine Palms Water District as follows:

1. Incorporation of Recitals: The Recitals set forth above are incorporated herein, are made findings and determination of the Board, and are an operative part of this Ordinance.

2. CEQA Compliance:

(a) The District, as lead agency under the California Environmental Quality Act ("CEQA"), has evaluated the potential environmental impacts of adopting the Fees. As the decision making body for the District, the Board has reviewed and considered the information contained in the administrative record for the adoption of the Fees.

(b) The Board finds that the Fees are intended to fund (1) the proportional share of capital improvements that have already been constructed, and (2) the proportional share of as-yet unknown, future projects, programs, and capital improvement

projects related to the District’s need to finance capital improvements to provide adequate infrastructure to meet growth-related needs. This Ordinance does 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. These Fees are in response to the District’s projected need for additional facilities and infrastructure to provide services to its existing customers and new development. Any activities, including infrastructure improvements, to be funded by these Fees, have already been or will be subject to future environmental review under CEQA, as applicable, prior to District approval.

(c) The Board therefore finds that the Fees are not subject to environmental review under CEQA. First, the Fees, in and of themselves, do not have the 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 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 Fees, in and of themselves, may have a significant effect on the environment. (14 Cal. Code Regs., § 15061, subd. (b)(3).) And third, the Fees are considered a government funding mechanism that do 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 Board has considered any comments received at the public meeting on March 24, 2021, prior to adoption of this Ordinance.

(e) The determination that the Fees are not subject to CEQA review reflects the Board’s independent judgment and analysis.

(f) The documents and materials that constitute the record of proceedings on which these findings have been based are located at 72401 Hatch Road Twenty-nine Palms, CA 92277. The custodian for these records is the District Secretary.

3. Establishment of Water Capital Facility Fee. The following is established as the new water capital facility fee schedule, by meter size, to take immediately upon adoption.

Meter Size	Equivalency Factor		Unit Cost (\$/3/4-inch meter)	Updated Capital Impact Fee Per Meter
	Maximum Continuous Flow (gpm) ¹	Equivalency to 3/4 inch meter		
5/8-3/4 inch	30	1.00	\$6,440	\$6,440
1 inch	50	1.67	\$6,440	\$10,734
1.5 inch	100	3.33	\$6,440	\$21,468
2 inch	160	5.33	\$6,440	\$34,349
3 inch	350	11.67	\$6,440	\$75,138
4 inch	630	21.00	\$6,440	\$135,248
6 inch	1,300	43.33	\$6,440	\$279,084
8 inch	2,800	93.33	\$6,440	\$601,103
10 inch	4,200	140.00	\$6,440	\$901,655

1. Source: AWWA M1, Table B-2. Assumes displacement meters for 5/8” through 2”, Turbine Class I for 3” through 6”, and Turbine Class II for 8” through 10”.

4. Accounting of Funds. All revenues collected from the Fees shall be deposited with other such revenues in a separate capital facilities fund, and shall be accounted for in a manner so as to avoid commingling the fees with other revenues and funds of the District, except for investments. Any interest income earned by monies in the fund shall be credited to the fund, and may be expended only for the purposes for which the capacity fee is imposed. Within 180 days after the last day of the fiscal year, the District shall make available to the public the following information:

- (a) A description of the fees deposited into the fund;
- (b) The beginning and ending balance of the fund and the interest earned from investment of money in the fund;
- (c) The amount of fees collected in that fiscal year;
- (d) An identification of all of the following:
 - (i) Each public improvement on which fees were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those fees if more than one source of funding was used.
 - (ii) Each public improvement on which fees were expended that was completed during that fiscal year.
 - (iii) Each public improvement that is anticipated to be undertaken in the following fiscal year.
- (e) A description of each interfund transfer or loan made from the fund, including identification of the public improvements on which transferred money are or will be expended, and if an interfund loan the date on which the loan will be paid and the rate of interest to be received on the loan.

5. Amendment to Administrative Code: Section 7.05.030 of the Administrative Code shall be amended to reflect the newly adopted Fees. Section 7.05.030(4) is hereby deleted in its entirety and replaced with "Reserved."

6. Severability: If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, including any portion of the fee adopted herein, such invalidity shall not affect other provisions or applications of this Ordinance, including any portion of the fee not held invalid, and to this end the provisions of this Ordinance are declared to be severable.

7. Effective Date. This Ordinance shall become effective immediately upon adoption. The Board Secretary shall certify to the adoption of this Ordinance and cause the same to be published as required by law.

8. Future Amendments: It is the explicit intention of the Board in adopting this Ordinance that future amendments to the Fees may be adopted either by ordinance or resolution of the District.

9. Inconsistency with Other Fees and Charges: To the extent that the Fees established by this Ordinance are inconsistent with any rates, fees or charges previously adopted by the District, it is the explicit intention of the Board that the Fees adopted in this Ordinance shall prevail.

PASSED, APPROVED AND ADOPTED this 24th day of March, 2021, by the following vote.

Ayes: Directors Coghill, Horn, and Giannini
Noes: None
Abstain: None
Absent: Directors Arthur and Leazer



Carol Giannini, President
Board of Directors

Attest:



Ray Kolsz, Board Secretary
Twentynine Palms Water District

