ORDINANCE NO. 2022-01

AN ORDINANCE OF THE PAJARO VALLEY WATER MANAGEMENT AGENCY AMENDING EFFECTIVE DATE OF DELIVERED WATER CHARGE AND GROUNDWATER AUGMENTATION CHARGE RATE INCREASES

* * *

WHEREAS, the Pajaro Valley Water Management Agency ("PV Water") Board of Directors ("Board"), on April 21, 2021, adopted Ordinance 2021-01, Adjusting Delivered Water Charges, and Ordinance 2021-02, Adjusting Groundwater Augmentation Charges; and

WHEREAS, Ordinance 2021-01 and Ordinance 2021-02 include scheduled rate increases effective July 1 of each year through June 30, 2026; and

WHEREAS, On December 16, 2020, the Board adopted Resolution 2020-15, Designating General Manager, or Designee, as the Authorized Representative to file an Application and Execute Agreements for a 2020 Sustainable Groundwater Management (SGM) Grant Program Implementation – Round 1 Grant; and

WHEREAS, On April 28, 2022, Carmel Brown, Manager, Financial Assistance Branch, Department of Water Resources, sent a letter with the subject "Award Notification for Budget Act of 2021 Sustainable Groundwater Management (SGM) Grant Program SGM Act (SGMA) Implementation – Round 1 Grant" notifying PV Water of recommendation for $7.6 million in funding; and

WHEREAS, PV Water staff and consultants evaluated the effect of $7.6 million in grant funding using PV Water's financial model in conjunction with updated project cost estimates and rates of inflation, and determined that the effective date of the rates scheduled to take effect on July 1, 2022 could be delayed to December 1, 2022, and annual increases for subsequent years could likewise be delayed an equivalent amount.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Pajaro Valley Water Management Agency as follows:

Section 1. Ordinance No. 2021-01 Amended. Section 4 – Amendment to Delivered Water Charge Ordinance is hereby amended to read as follows:

> "Section 4. Amendment to Delivered Water Charge Ordinance. The delivered water charge was originally established by Ordinance No. 2004-03, and was amended and/or supplemented by Ordinance Nos. 2007-01, 2010-01, 2010-03 and 2015-01 (collectively the "Delivered Water Charge Ordinance"). The Delivered Water Charge Ordinance is hereby amended, supplemented and revised as follows:
>
> a. Charge Increase. The Agency delivered water charges are hereby increased as

follows (as measured by the turnout meter):

Del. Water Charge Rate FY 2021/22	Del. Water Charge Rate FY 2022/23	Del. Water Charge Rate FY 2023/24	Del. Water Charge Rate FY 2024/25	Del. Water Charge Rate FY 2025/26
$412/AF	$432/AF	$454/AF	$477/AF	$501/AF

b. Annual Adjustment. The 2021-22 delivered water charge rate shall remain in effect through November 30, 2022. Each December 1, (commencing December 1, 2022) the delivered water charges shall be adjusted as provided in Section 4.a. of this Ordinance. The General Manager is authorized and directed to make this adjustment and keep and maintain a current schedule of applicable delivered water charges at the Agency office and posted on the Agency website. After November 30, 2026, the 2025-26 rates will remain in effect until amended or superseded by Agency ordinance.

c. To the extent that any other provision of the Delivered Water Charge Ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall control and be operative to amend, revise and replace such conflicting provisions."

Section 2. Ordinance No. 2021-02 Amended. Section 4 - Augmentation Charge Rate Adjustment of Ordinance No. 2021-02 is hereby amended to read as follows:

"Section 4. Augmentation Charge Rate Adjustment.

a. Charge Increase. The Agency augmentation charges are hereby revised as follows:

User Group	Aug. Charge Rate FY 2021/22	Aug. Charge Rate FY 2022/23	Aug. Charge Rate FY 2023/24	Aug. Charge Rate FY 2024/25	Aug. Charge Rate FY 2025/26
Aug. Charge, Metered Users – Outside DWZ	$263/AF	$282/AF	$302/AF	$323/AF	$346/AF
Aug. Charge, Metered Users – Inside DWZ	$363/AF	$391/AF	$420/AF	$452/AF	$486/AF
Aug. Charge, Unmetered (Rural Residents)	$123/ Residence	$132/ Residence	$142/ Residence	$152/ Residence	$163/ Residence

b. Unmetered Wells. Because the unmetered wells lack meters, the increased augmentation charges shall be levied based on an estimate of well usage of 0.5 acre-feet/residence/year (or $123/residence/year for 2021-22). If an unmetered well owner would prefer to pay the augmentation charge based on actual usage, then they

may install a meter at the owner's cost and thereafter be billed based on the metered pumping amount.

c. Annual Adjustment. The 2021-22 augmentation charge rates shall remain in effect through November 30, 2022. Each December 1 (commencing December 1, 2022) the augmentation charges shall be adjusted as provided in Section 4.a. of this Ordinance. The General Manager is authorized and directed to make this adjustment and keep and maintain a current schedule of applicable augmentation charges at the Agency office and posted on the Agency website. After November 30, 2026, the 2025-26 rates will remain in effect until amended or superseded by Agency ordinance."

Section 3. Severability. The provisions of this Ordinance are severable, and the invalidity, unenforceability or unconstitutionality of any section, portion or part of this Ordinance shall not affect the validity of the remainder of the Ordinance.

Section 4. Effective Date. This Ordinance and the increased augmentation charge shall become effective on July 1, 2022.

Section 5. Posting/Publication. Within 15 days after its passage, the Agency Secretary shall cause this Ordinance, or a summary thereof, to be published at least once, with the names of those directors voting for and against the Ordinance, in a newspaper of general circulation published and circulated in the Agency.

PASSED AND ADOPTED by the Board of Directors of the Pajaro Valley Water Management Agency on this **18th** day of **May, 2022,** by the following vote:

AYES: **Newell, Culbertson, Bannister, Broz**
NOES: **None**
ABSTAIN: **None**
ABSENT: **Zamora, Sanchez, Rider**

By: Amy R. Newell
Amy Newell, Chair

Attest:

Laura R Taay
Laura R. Taay, Board Secretary