

Notice of Exemption

Appendix E

To: Office of Planning and Research
 P.O. Box 3044, Room 113
 Sacramento, CA 95812-3044
 County Clerk
 County of: San Diego
 1600 Pacific Highway, Room 260
 San Diego, CA 92101

From: (Public Agency): Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, CA 92024
 (Address)

Project Title: The Olivenhain MWD intends, by ordinance, to increase water rates and charges, and implement drought rates for calendar year 2024

Project Applicant: Olivenhain Municipal Water District (OMWD)

Project Location - Specific:

OMWD service area which covers approximately 31,000 acres in NW San Diego

Project Location - City: _____ **Project Location - County:** San Diego

Description of Nature, Purpose and Beneficiaries of Project:

The Project is to increase water rates and charges, to implement Demand Reduction Rate Adjustments, and to implement new Rate Reimbursement Credits within the area already served by the Olivenhain Municipal Water District. The purpose of the Project is to raise essential funds to meet anticipated operating expenses, to provide adequate reserve funds, and to maintain service within the existing service areas in compliance with the Government Code Section 66016. The increased fees and charges are not tied to any development project.

Name of Public Agency Approving Project: Olivenhain Municipal Water District

Name of Person or Agency Carrying Out Project: Olivenhain Municipal Water District

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: _____
- Statutory Exemptions. State code number: 15273(a)(1)-(4)

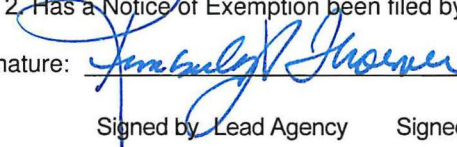
Reasons why project is exempt:

- 1) No Project per Section 15378(b)(4) - The Project is a continuing administrative activity of the District which will not result in any physical change in the environment. The increase of water rates and charges, and implementation of drought rates is not being considered in conjunction with the approval of any specific project and will be used solely to meet anticipated operating expenses, to provide adequate reserve funds, and to maintain service in existing service areas.
- 2) Exemption - the new increase in water rates and charges, and implementation of drought rates are being set based on accounting evaluations of the District's operating expenses and capital costs necessary to maintain service in existing areas.
- 3) No Significant Effect - the activity will not have any significant effect on the environment.

Lead Agency
Contact Person: Kimberly Thorner, General Manager **Area Code/Telephone/Extension:** (760) 753-6466

If filed by applicant:

- 1. Attach certified document of exemption finding.
- 2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature:  **Date:** 2/21/24 **Title:** General Manager
 Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code. Date Received for filing at OPR: _____
 Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

RESOLUTION NO. 2024-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN
MUNICIPAL WATER DISTRICT MAKING CEQA EXEMPTION FINDINGS
FOR WATER RATE INCREASES, DEMAND REDUCTION RATE ADJUSTMENTS,
AND RATE REIMBURSEMENT CREDITS AND ORDERING
A NOTICE OF EXEMPTION BE FILED WITH
THE COUNTY CLERK OF THE COUNTY OF SAN DIEGO AND THE STATE CLEARING HOUSE

WHEREAS, the Olivenhain Municipal Water District Board of Directors intends, by ordinance, to modify and increase water rates and charges, implement Demand Reduction Rate Adjustments, and continue Rate Reimbursement Credits for 2024; and

WHEREAS, the project is to increase water rates and charges, implement Demand Reduction Rate Adjustments, and increase Rate Reimbursement Credits to customers and development within the area already served by the Olivenhain Municipal Water District. The purpose of the project is to raise essential funds to meet anticipated operating expenses, to meet financial reserve needs and requirements, and to maintain service within existing service areas; and

WHEREAS, pursuant to the California Environmental Quality Act, State of California (CEQA) Guidelines, the Olivenhain Municipal Board of Directors has caused to be prepared a Notice of Exemption according to State of California CEQA guidelines section 15273(a) (1)-(4); and

WHEREAS, the 2019 Water Rate Study Report (Report) prepared by the District's rate consultant, Raftelis Financial Consultants, Inc., attached hereto and incorporated herein as Exhibit "A," recommended the needs for increasing water rates and charges and implementing Demand Reduction Rate Adjustments; and

WHEREAS, the Report on the potential increase of water rates and charges and implementation of Demand Reduction Rate Adjustments was approved by the Olivenhain Municipal Water District Board of Directors; and

WHEREAS, following the review of the Report on the potential increase of water rates and charges and implementation of Demand Reduction Rate Adjustments, the Board of Directors held a public hearing in accordance with California Constitution article XIID, Section 6 on Wednesday, November 13, 2019; and

WHEREAS, the Board of Directors, adopted Ordinance No. 470, "AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT AUTHORIZING PASS-THROUGH INCREASES IN PURCHASED WATER WHOLESALe COSTS, SAN DIEGO COUNTY WATER AUTHORITY INFRASTRUCTURE ACCESS CHARGE, INCREASES TO THE DISTRICT'S COST OF OPERATIONS AND CAPITAL FACILITIES, AND ANY NEW FEES MANDATED BY THE STATE OF

CALIFORNIA TO BE COLLECTED ON WATER RATES; AND REVISING ARTICLE 8.4 OF THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE" on December 11, 2019, establishing pass-through increases and adjustments to water rates and charges for a five-year period commencing March 1, 2020, and anytime and including December 31, 2024; and

WHEREAS, having heard, considered, and reviewed the Report, the rate structure is incorporated into Sections 8.1, 8.2, and 8.3 of the Olivenhain Municipal Water District's Administrative and Ethics Code, and implementation of Demand Reduction Rate Adjustments, it is in the interest of the Olivenhain Municipal Water District and the people it serves to order a Notice of Exemption be filed with the County Clerk of the County of San Diego and the State Clearinghouse, and approve the appropriate modifications by ordinance.

NOW, THEREFORE, the Board of Directors of the Olivenhain Municipal Water District does hereby find, determine, resolve and order as follows:

SECTION 1: The foregoing facts are found and determined to be true and correct.

SECTION 2: Certain water rates and charges shall be increased to raise essential funds for meeting anticipated operating expenses, meeting the reserve needs of the District, and to maintain service within existing service areas in order to continue to deliver water to the customers of the Olivenhain Municipal Water District.

SECTION 3: Pursuant to the California Environmental Quality Act (CEQA), State of California CEQA guidelines section 15273(a) (1)-(4), the Board of Directors finds and determines that increasing various fees and charges, and implementation of Demand Reduction Rate Adjustments is exempt from CEQA for each of the following reasons:

- 1) The increases of water rates and charges, implementation of Demand Reduction Rate Adjustments, and continuation of Rate Reimbursement Credits are not a "Project" as defined by Guidelines Section 15378 (b) (4).
- 2) The Project is exempt in accordance with Guidelines Section 15273 (a) (1), 15273 (a) (2), 15273 (a) (3), and 15273 (a) (4).
- 3) The activity will not have any significant effect on the environment.

SECTION 4: The Board of Directors of the Olivenhain Municipal Water District finds and determines that increases of water rates and charges, implementation of Demand Reduction Rate Adjustments, and continuation of Rate Reimbursement Credits is exempt for the following reasons:

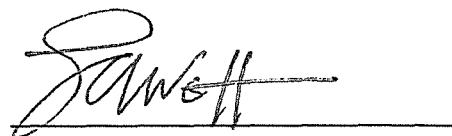
- 1) No Project. The project is a continuing administrative activity of the District which will not result in any physical change in the environment. The increase of various water rates and charges, implementation of Demand Reduction Rate Adjustments, and continuation of Rate Reimbursement Credits is not being considered in

conjunction with the approval of any specific project and will be used solely to meet anticipated operating expenses, to meet financial reserve needs and requirements, and to maintain service within existing service areas.

- 2) Exemption. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the District, 1966 Olivenhain Road, Encinitas, California 92024. The custodian for these records is the Secretary of the District.
- 3) No Significant Effect. The activity will not have significant effect on the environment. The modifications of fees and charges, implementation of Demand Reduction Rate Adjustments, and continuation of Rate Reimbursement Credits have been set to maintain service within existing service areas and not to expand the system. The fees and charges are not being considered in conjunction with any specific development activity.
- 4) Justification and Reasons. The Board finds that the reasons and justification for the increased water rates and charges, implementation of Demand Reduction Rate Adjustments, and increase of Rate Reimbursement Credits being exempt as set forth in the Notice of Exemption attached hereto and incorporated herein as Exhibit "B."

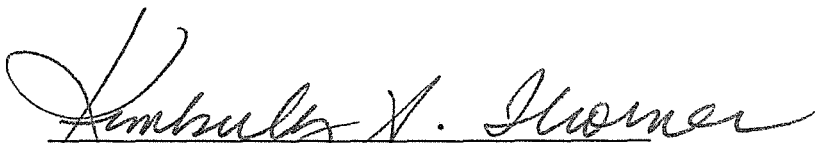
SECTION 5: The Olivenhain Municipal Water District Board of Directors orders and directs that the foregoing exemptions and reasons be made a part of the Notice of Exemption and that the Notice of Exemption be filed with the County Clerk of the County of San Diego and the State Clearing House.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of the Olivenhain Municipal Water District held on Wednesday, February 21, 2024 by the following roll call vote:



Lawrence A. Watt, Secretary
Board of Directors
Olivenhain Municipal Water District

ATTEST:



Kimberly A. Thorner, Assistant Secretary
General Manager
Olivenhain Municipal Water District