

RESOLUTION NO. 2023-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LINCOLN SMD-1 WASTEWATER AUTHORITY MAKING FINDINGS, ESTABLISHING WASTEWATER SERVICE CHARGES, PROVIDING FOR COLLECTION OF SERVICE CHARGES AND TAKING RELATED ACTIONS

WHEREAS, the Lincoln SMD-1 Wastewater Authority (“LiSWA” or “Authority”) is a joint powers agency organized and operating pursuant to the provisions of the Constitution and the laws of the State of California (“State”); and

WHEREAS, the LiSWA was established pursuant to a Joint Powers Agreement (“JPA”) entered into by and between the City of Lincoln (“City”) and the County of Placer (“County” and collectively with the City, the “Member Agencies” and each a “Member Agency”); and

WHEREAS, the Authority was established to provide for a method of provision of wastewater services to the Member Agencies; and

WHEREAS, the City and the County each have statutory authority to adopt, impose and collect charges for services provided and the Authority was granted such authority through the terms of the JPA; and

WHEREAS, following the formation of the Authority, and the establishment of the Authority’s organization and staff, Authority staff undertook to review an examination of the costs of provision of wastewater services to the Member Agencies; and

WHEREAS, as a component of cost allocation, the Authority has adopted a Unit Definition for Costs of Service Calculation and Reporting Policy (“Policy”) and has established a cost allocation process for providing the Member Agencies with their respective wastewater services costs and has procedures in place (which may, in the future, be amended) for the payment thereof; and

WHEREAS, utilizing the provisions of the Policy, Authority staff undertook to review the total costs of the provision of services to the Member Agencies including the costs of capital replacement, repair and refurbishment, anticipated future debt service, operational costs, utility costs, administrative costs, necessary funding of designated reserves and related costs and necessary changes related thereto (collectively, the “Wastewater Service Charge(s)”); and

WHEREAS, pursuant to directives of the Board and the requirements of California Government Code (“Government Code”) Section 66016(a), Authority staff provided written notice to the Member Agencies regarding the consideration of the Wastewater Services Charge adoption, which notice was provided as of March 24, 2023, to the Member Agencies and was also provided by posting to the LiSWA website ([www https://www.lincolnca.gov/en/liswa.aspx](https://www.lincolnca.gov/en/liswa.aspx)); and

WHEREAS, taking into consideration these various factors, the members of the Board of Directors of the Authority (“Board”) have been provided with information concerning the costs of wastewater services in the form of the Initial Wastewater Costs of Service Setting Report dated as of March 24, 2023 (“Report”); and

WHEREAS, the Report was a part of the provision of such notice to the Member Agencies regarding the Wastewater Service Charge proceedings; and

WHEREAS, information to support the findings made by the Board within this Resolution has been prepared by Authority staff and consultants, made available to any member of the public, or Member Agency, who requested such information and has been presented to the Board as part of its consideration of this matter; and

WHEREAS, the Board desires to make certain findings and determinations in connection with the setting of the Authority’s Wastewater Service Charges as set forth herein; and

WHEREAS, the Board desires to authorize the setting of the Authority’s Wastewater Service Charges, on the basis set forth herein, to be effective as set forth within this Resolution and the charge schedule attached hereto.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LINCOLN SMD-1 WASTEWATER AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. The foregoing recitals are each true and correct and are incorporated herein.

Section 2. Provision of Notice. The Authority provided to each of the Member Agencies the Report and written notice of the Board’s consideration to set and implement the proposed Wastewater Service Charges at this meeting. Such written notice was provided more than 14 days prior to the date hereof. Copies of the written notice provided to the Member Agencies is on file with the Authority Secretary. The Authority has complied with the requirements of Government Code Section 66016.

Section 3. Data and Information Relating to Determination to Adopt and Implement Wastewater Service Charges. The Board has been provided with, and/or had available to it, various reports, including, but not limited to, the Policy, the Report, data and information supporting the findings made herein. Reference is also made to those meetings held by the Board, and supporting documentation made available to the Board, the Member Agencies and members of the public, as part of the consideration by the Board for the adoption of the Wastewater Service Charges. Such data and information has been available, and made available, as applicable, to the Member Agencies and to members of the public desiring to review such, and is on file with the Authority’s Secretary and available for review upon public request. Such data and information includes, but is not limited to, the following:

- (a) The Authority’s adopted Fiscal Year 2022-23 Budget;

- (b) Financial projections relating to the Authority's financial and operating requirements, including, but not limited to, the costs and financing requirements for the Authority to meet its current and future facilities requirements, including capital costs, current and anticipated utilities costs and debt coverage and debt issuance expenses;
- (c) The Policy;
- (d) The Report; and
- (e) Financial considerations relating to the prudent and financially responsible level of the Authority's fiscal reserves, including policies relating thereto as established by this Board.

Section 4. Public Adoption. The foregoing information has been presented to the Board at open and public meetings thereof. This Resolution will be presented, discussed and acted upon at a regular open and public meeting of the Board conducted in accordance with applicable State law.

Section 5. Findings and Determinations. The Board hereby finds and determines as follows:

- (a) The Authority's current and projected finances, financial condition, and revenue requirements, based on information available to the Authority and the costs and projected financing requirements for the Authority to meet its future facilities and service requirements have been considered and the Board has adopted a balanced budget for Fiscal Year 2022-23. Correspondingly, the Board hereby finds and determines that the revenues derived from the Wastewater Service Charges set forth herein do not exceed the amounts required by the Authority to provide the wastewater services that the Authority provides to the Member Agencies.
- (b) The Authority's Wastewater Service Charges, as set forth herein, is part of an integrated finance and revenue system including projected expenditures, dedicated funds and other financial considerations. The Authority's Wastewater Service Charges are structured and implemented by the Authority in order to meet its financial obligations and responsibilities to operate, maintain, replace, restore and improve its wastewater systems and facilities, address anticipated Member Agency service needs, to meet its legal and operational obligations and requirements and to conduct its business, administrative and governmental operations.
- (c) The Authority's Wastewater Service Charges adopted and implemented hereby are not taxes under the provisions of the California Constitution inasmuch as the referenced Wastewater Service Charges are services provided directly to the Member Agencies on an allocated and proportional basis and do not exceed the reasonable costs to the Authority for the provision of such wastewater services.

Section 6. Authority for Action. The City and the County each have statutory authority to adopt, impose and collect charges for services provided. The JPA provides the Authority with power to adopt, impose and collect the Wastewater Services Charges.

Section 7. Adoption, Implementation and Effective Date of Wastewater Service Charges.

- (a) The Board hereby adopts the LiSWA Wastewater Service Charges as set forth in Attachment “A” to this Resolution, which is incorporated herein by this reference.
- (b) The Wastewater Service Charges shall apply to wastewater services provided by the Authority to the Member Agencies.
- (c) The Wastewater Service Charges shall apply to wastewater services provided by the Authority from and after July 1, 2023, with LiSWA anticipating that its costs from its inception on November 30, 2022 through June 30, 2023 will be reconciled by and between the Member Agencies such that LiSWA will receive payment for its costs during this time period. Authority staff shall reconcile the Wastewater Service Charges with amounts billed to, and paid by, each Member Agency from and after July 1, 2023 and the difference shall be billed or credited, as applicable.
- (d) The Authority’s adopted billing procedures, as such may be amended from time to time, shall be applicable to the collection of the Wastewater Service Charges following adoption of this Resolution.
- (e) The Board reserves the right to amend the Wastewater Service Charges in the future.

Section 8. CEQA Exemption. It is hereby found and determined that the Wastewater Service Charge adopted hereby is within the purposes set forth in Section 21080(b)(8) of the California Public Resources Code, including, but not by way of limitation, the purposes of meeting operating expenses, purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital facilities necessary to maintain service to the Member Agencies and therefore are exempt from the requirements of the California Environment Quality Act pursuant to such Section 21080(b)(8).

Section 9. Other Actions. The Authority’s General Manager and other Authority officers and staff and the Authority’s consultants are hereby authorized and directed to take all necessary and appropriate actions as may be required or desirable to carry out the findings and directives of this Resolution.

Section 10. Partial Invalidity; Severability. If any one or more of the findings or directives set forth in this Resolution should be contrary to law, then such findings or directives, or such portions thereof, shall be null and void and shall be deemed separable from the remaining findings and directives or portions thereof and shall in no way affect the validity of this Resolution or the other directives set out herein. The Board hereby declares that it would have adopted this

Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized and approved the findings or directives set forth herein irrespective of the fact that any one or more sections, paragraphs, subdivisions sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 11. **Effective Date.** This Resolution shall be effective immediately upon adoption by the Board.

[Remainder of this page intentionally left blank]

ADOPTED, SIGNED AND APPROVED this 14th day of April, 2023.

THE BOARD OF DIRECTORS OF THE
LINCOLN SMD-1 WASTEWATER AUTHORITY

By: Dan Karkeloff
President of the Board of Directors of the
Lincoln SMD-1 Wastewater Authority

ATTEST:

By: George M. Barber
Clerk of the Board of Directors of the
Lincoln SMD-1 Wastewater Authority

STATE OF CALIFORNIA

)

) ss.

COUNTY OF PLACER

)

I, George Barber, Secretary of the Board of Directors of the Lincoln SMD-1 Wastewater Authority, do hereby certify that the foregoing resolution was duly adopted by the Governing Board of said School District, at a meeting thereof duly and regularly held at the regular meeting place thereof on April 14, 2023, of which meeting all of the members of such Board had due notice and at which a majority thereof were present; at which a quorum of such Board was present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at said meeting said resolution was adopted by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

George M. Barber

Secretary of the Board of Directors of the
Lincoln SMD-1 Wastewater Authority

STATE OF CALIFORNIA)
) ss.
COUNTY OF PLACER)

I, George Barber, Secretary of the Board of Directors of the Lincoln SMD-1 Wastewater Authority, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2023-02 of such Board and that the same has not been amended or repealed.

Dated: April 14, 2023

George M. Barber

Clerk of the Board of Directors of the
Lincoln SMD-1 Wastewater Authority

ATTACHMENT "A"

SCHEDULE OF ADOPTED WASTEWATER SERVICE CHARGES

	Adopted Charge per EDU per Month			
FYE	Effective Date	Operations Charge	Capital/Debt Charge	Total Charge
2023	12/01/2022	Actual Cost of Service distributed to Member Agencies based on 03/31/2023 WWTRU report		
2024	07/01/2023	\$ 23.47	\$ 11.09	\$ 34.56
2025	07/01/2024	\$ 24.18	\$ 11.42	\$ 35.60
2026	07/01/2025	\$ 24.90	\$ 11.77	\$ 36.67
2027	07/01/2026	\$ 25.65	\$ 12.12	\$ 37.77