

ORDINANCE NO. 62

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT,
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA**

**DECLARING THE END OF THE THIRD STAGE DROUGHT CONDITION AND
CONTINUANCE OF PERMANENT WATER CONSERVATION POLICIES AND**

**DETERMINING THAT THE CURRENT WATER CONSERVATION BASED TIERED
WATER RATE STRUCTURES SHALL REMAIN IN EFFECT IN CONJUNCTION
WITH THE PERMANENT WATER CONSERVATION POLICIES**

WHEREAS, on April 27, 2004, the Board of Directors adopted Ordinance No. 58 which became effective June 1, 2004 and established the Water Conservation Policy of the Lake Arrowhead Community Services District. A copy of Ordinance No. 58 is attached hereto as Exhibit "A" and incorporated herein by reference.

WHEREAS, Ordinance No. 58 provides that as of the effective date said Ordinance, the District is under the declaration of a Third Stage Drought and that the Board further declares a Third Stage Drought exists which requires implementation of Water Conservation Phase Three.

WHEREAS, Ordinance No. 58 provides that the Board may declare a particular Drought Stage condition in the event certain lake levels are determined to exist or are predicted to occur during the balance of the calendar year, based on lake level elevations at the end of the winter season, March 31, and based on the previous year's District-wide water use. In accordance with the provisions of Ordinance No. 58, a declaration of a Drought Stage and the definition of a Drought Stage shall cause a mandatory Water Conservation Phase to be implemented commensurate with the severity of the drought. In addition, Section 4 of Ordinance No. 58 sets forth Permanent Water Conservation Policies Applicable To All Customers which shall remain in effect as continuous conservation measures.

WHEREAS, the current level of Lake Arrowhead points to the conclusion that the Third Stage Drought condition should end and that the Permanent Water Conservation Policies Applicable To All Customers should continue.

WHEREAS, on May 25, 2004, the Board adopted Ordinance No. 59 which established, among other things, Water Conservation Based Tiered Water Rate Structures which became effective beginning with bills mailed on or after July 1, 2004. A copy of Ordinance No. 59 is attached hereto as Exhibit "B" and incorporated herein by reference.

WHEREAS, Section 2(a) of Ordinance No. 59 provides that unless otherwise determined by the Board, the Water Conservation Based Tiered Water Rate Structures shall remain in effect, as water conservation measures, for the duration of the then applicable Third Stage Drought, and any other such stages greater than the First Stage.

WHEREAS, the Board desires to make the determination, as provided for under Section 2(a) of Ordinance No. 59, to keep the Water Conservation Based Tiered Water Rate Structures in effect, as water conservation measures, in conjunction with the Permanent Water Conservation Policies.

WHEREAS, this Ordinance is adopted pursuant to: (a) Water Code Section 350 et seq. which authorizes the District to declare a Drought Stage condition and authorizes the adoption of regulations and restrictions on the delivery and consumption of water; and Water Code sections 375 et seq. and 1009 which both authorize the District to adopt a water conservation program to reduce the quantity of water in order to conserve the District's water supply. For example, and not by way of limitation, Water Code Section 375(b) provides that a water conservation program may encourage water conservation through rate structure design.

WHEREAS, this Ordinance shall be effective as of the date of adoption. Within 10 days after its adoption, this Ordinance shall be published in the *Mountain News* newspaper. This Ordinance was introduced at a meeting of the Board held on March 22, 2005, following a public hearing, notice of which was published in the *Mountain News* newspaper once a week for two successive weeks on March 10, 2005 and March 17, 2005. This Ordinance was taken under consideration by the Board during its Regular Meeting on March 22, 2005, at which time the Board provided customers and the public the opportunity to provide public comments and testimony. Notice of the time and date of the Regular Meeting was given in accordance with the legal requirements for posting of the notice and agenda for such a Regular Meeting.

THE BOARD OF DIRECTORS OF THE LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT DOES HEREBY ORDAIN AS FOLLOWS:

1. Incorporation of Recitals. The Recitals set forth above are incorporated herein and made an operative part of this Ordinance No. 62.

2. Implementation Pursuant to Ordinance No. 58. This Ordinance No. 62 is hereby adopted pursuant to, and in accordance with, the provisions of Ordinance No. 58. Therefore, this Ordinance No. 62 shall be deemed to be the result of the implementation and enforcement of Ordinance No. 58 and this Ordinance No. 62 shall be implemented and enforced in accordance with the authority and provisions of Ordinance No. 58. In the event of any conflict between the provisions of this Ordinance No. 62 and the provisions of Ordinance No. 58, the provisions of Ordinance No. 58 shall be deemed to be controlling.

3. Declaration of Drought Stage Condition. The Board hereby determines that as of the effective date of this Ordinance No. 62, the District shall end the Third Stage Drought and that the Permanent Water Conservation Policies Applicable To All Customers shall continue. The Permanent Water Conservation Policies Applicable To All Customers are set forth in Section 4 of Ordinance No. 58. The Permanent Water Conservation Policies Applicable To All Customers shall be defined, implemented, and enforced pursuant to, and in accordance with, the provisions of Ordinance No. 58.

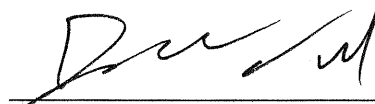
4. Continuance of the Water Conservation Based Tiered Water Rate. The Board hereby determines that the Water Conservation Based Tiered Water Rate Structures adopted pursuant to Ordinance No. 59 shall remain in effect, as water conservation measures, in conjunction with the Permanent Water Conservation Policies Applicable To All Customers. The Water Conservation Based Tiered Water Rate Structures shall remain in effect and shall continue to be defined, implemented, and enforced pursuant to, and in accordance with, the provisions of Ordinance No. 59.

Severability. If any Section, subsection, clause or phrase in this Ordinance No. 62 or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Ordinance No. 62 or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Ordinance No. 62 and each Section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more Sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

ADOPTED by the Board of Directors of the Lake Arrowhead Community Services District at a Regular Meeting held on March 22, 2005, by the following votes:

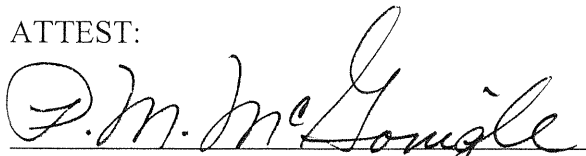
AYES:	<i>Field, Keefe and Whitney</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>Ben-Hur and Heyck</i>

LAKE ARROWHEAD COMMUNITY
SERVICES DISTRICT



Bruce Field, President of the Lake Arrowhead
Community Services District

ATTEST:


P. M. McGonigle, Secretary of the Lake
Arrowhead Community Services District

(SEAL)