



# RURAL NORTH VACAVILLE WATER DISTRICT

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Phone: 707-447-8420  
RNVWDGM@gmail.com

## NEWSLETTER

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APRIL 2011

ISSUE 24

### RURAL NORTH VACAVILLE WATER DISTRICT HAS . . . .

- A **NEW** contract with California Water Service Company
- A **NEW** General Manager
- A **NEW** Address, Telephone Number and E Mail Address
- A **NEW** Director on the Board
- A **NEW** proposed Rate increase

### NEW CONTRACT WITH CAL WATER

Your Board of Directors has just completed negotiations with California Water Service Company (Cal Water) for a new 3 year contract. This contract will allow Cal Water to continue the operation of our water system. As you know, Cal Water supervised the construction of our system and has operated it since it was initially built. Cal Water has operated the system, read the meters, sent out the monthly bills and supervised any maintenance and repairs that have been necessary. Our initial contract with Cal Water was signed before construction or operation began. That contract was based on a lot of estimates and just plain guesses as to time, costs, and materials required. After 8 years of operation neither Cal Water nor RNVWD was happy with the contract. The newly signed contract is one that both sides feel they can live with.

From Cal Water's point of view, they nearly double what they are currently charging us for their services. This is a hefty increase, to say the least! They have us at a disadvantage because we have no one to replace them with for the operation of our system. They have the personnel, the expertise, and the professional engineering staff behind them to meet the State Department of Public Health requirements needed to operate a public water system. There is no other company with the required staff and licensing that is willing to take over the day to day operation of our water system.

From RNVWD's point of view, we are satisfied with Cal Water's basic operation of our system. Our concerns are primarily with billing and customer service. We also believe that we can sub-contract out some of the maintenance and repair work at a lower cost than we are currently being charged for by Cal Water. The new contract will allow us to do this. You can also soon expect to see changes concerning your monthly bill. We are reviewing the separation of the entire billing process from Cal Water.

Part of this review will include the annual state mandated back flow preventer testing and how the costs involved in the test and maintenance of these devices will be passed on to our owners.

## **NEW GENERAL MANAGER**

In order to supervise our new Cal Water contract we need a knowledgeable, capable General Manager who can manage our District and resolve our customer service and other problems. With the resignation of Birgitta Corsello last Fall, we have been without a General Manager.

After a search and interview of several applicants, your Board of Directors decided to hire Dieter Teschke to fill the position of RNVWD General Manager. Not only has Dieter served on the Board since its formation in 2006, but he has served as our Board of Directors President for the last 2 years. In addition, he has acted as the General Manager since Birgitta's departure last Fall. Dieter is an Electrical Engineer in the Aerospace Industry with a background in management and computer science. His professionalism, as well as his intimate knowledge of our District, made him an easy selection.

## **NEW RNVWD CONTACT INFORMATION**

With our new General Manager in place our old Solano County address and telephone number are no longer useable. Your new contact information for the Rural North Vacaville Water District is:

|                              |                            |
|------------------------------|----------------------------|
| <b>RNVWD TELEPHONE:</b>      | <b>(707) 447-8420</b>      |
| <b>RNVWD POSTAL ADDRESS:</b> | <b>P. O. Box 5097</b>      |
|                              | <b>Vacaville, CA 95696</b> |
| <b>RNVWD E MAIL ADDRESS:</b> | <b>RNVWDGM@gmail.com</b>   |

## **NEW BOARD DIRECTOR**

With the hiring of Dieter Teschke as our new General Manager, he was required to resign his seat on the RNVWD Board of Directors. The Board has appointed Reed McLaughlin to fill the remainder of Dieter's term on the Board. Reed has lived in English Hills for 33 years. He is a retired educator with over 36 years in education, most recently having served as the Superintendent of the Pittsburg Unified School District. We welcome the administrative professionalism Reed brings to the RNVWD Board of Directors.

## **NEW WATER RATES**

Your Board of Directors has just adopted the preliminary budget for 2011/2012. The final budget will be adopted at the District's May 10<sup>th</sup> meeting. This new budget deals with the increased costs of the new Cal Water Contract and the hiring of a new General Manager. However, these increases will be offset with savings in several areas.

Some of the highest cost areas of the new Cal Water contract are billing and customer service. These areas are soon to be removed from the Cal Water contract and to be performed by the District under the supervision of our new General Manager. In addition, many but not all, of the functions we are paying the County to perform will soon be performed by our new General Manager.

Maintenance and repair functions that Cal Water is charging us, without bid, we now have the ability to seek competitive bids through our General Manager. An aggressive, knowledgeable General Manager will save us a considerable amount of money in the coming years.

However, our costs have increased. Your Board's goal is to supply you with domestic water that is safe, reliable and as inexpensive as possible. Maintaining the financial health of the Rural North Vacaville Water District also is essential. Our budget covers our estimated costs, repairs and minimum reserves for future repairs. To reduce this budget would sacrifice the financial well-being of the District.

Your Board of Directors has decided to continue the 3 tier billing system. Along with encouraging conservation, the tier system enables us to keep the basic tier, usage below 25 CCF, as inexpensive as possible. The top tier, usage above 50 CCF, pays for new source development such as future arsenic treatment for our standby well or an additional well. The middle tier, usage between 25 and 50 CCF supports the increased cost of operation and maintenance this added demand places upon our system.

Proposition 218 requires that prior to implementation of new increased rates, a public hearing will be held at least 45 days after written notice is given to each property owner in the District. At that meeting, if a majority of owners submit written protests to the rate increase it cannot go into effect.

We are proposing that the new rates go into effect July, 2011. The time and place of the public hearing will be announced when you receive the formal notice of the rate increase at a later date. This public hearing will most likely be at the Cantelow Road Fire Station in late June. You are strongly encouraged to participate in all facets of the decision making process of your Water District.

### **RNVWD Board of Directors:**

Chris Calvert, President

Reed McLaughlin, Director

Martin Joye, Vice President

Robert Whitehouse, Director

Trish Landis, Secretary

## **PROPOSED NEW RNVWD WATER RATES**

| <b><u>MONTHLY FEE</u></b>       | <b><u>Current Fee</u></b>  | <b><u>Proposed New Fee</u></b>  |
|---------------------------------|----------------------------|---------------------------------|
| Developed Connections           | \$ 56.69                   | \$ 58.00                        |
| Undeveloped Connections         | \$ 54.24                   | \$ 58.00                        |
| Supplemental future connections | \$ 12.76                   | \$ 14.00                        |
| <b><u>WATER RATES</u></b>       | <b><u>Current Rate</u></b> | <b><u>Proposed New Rate</u></b> |
| Tier 1 0 to 25 CCF              | \$ 1.50 / CCF              | \$ 1.65 / CCF                   |
| Tier 2 25 to 50 CCF             | \$ 2.81 / CCF              | \$ 3.10 / CCF                   |
| Tier 3 more than 50 CCF         | \$ 6.06 / CCF              | \$ 6.35 / CCF                   |

## **HOW DO OUR PROPOSED RATES COMPARE WITH OTHER DISTRICTS?**

### **CITY OF DIXON:**

|              |                            |
|--------------|----------------------------|
| Monthly fee: | \$ 50.43                   |
| Water rate:  |                            |
|              | 0 to 10 CCF \$ 1.80 / CCF  |
|              | 10 to 27 CCF \$ 2.03 / CCF |
|              | Over 27CCF \$ 2.19 / CCF   |

### **CITY OF NAPA:**

|              |                                    |
|--------------|------------------------------------|
| Monthly fee: | \$ 0.00                            |
| Water rate:  |                                    |
|              | Inside city limits: \$ 3.14 / CCF  |
|              | Outside city limits: \$ 4.48 / CCF |

### **CITY OF FAIRFIELD:**

|              |               |
|--------------|---------------|
| Monthly fee: | \$ 54.90      |
| Water rate:  | \$ 1.90 / CCF |

CCF: one hundred cubic feet or 748 gallons