

RESOLUTION No. 2011-02

**RESOLUTION OF THE RURAL NORTH VACAVILLE WATER DISTRICT
BOARD OF DIRECTORS APPROVING AN INCREASE
IN THE DISTRICT'S RATES FOR WATER SERVICE**

WHEREAS, the District's projected operating expenses for FY 2011/2012 are \$439,529, an increase of \$20,025 over third-quarter year end projections for FY 2010/2011; and

WHEREAS, the primary reason for this increase in projected operating expenses is the District's increased expenses for system operation and maintenance and as a result of lower than expected income due to a high rate of payment delinquencies; and

WHEREAS, the District's third-quarter year end projected revenues for FY 2010/2011 are \$359,426, which is \$60,078 short of projected expenses for that same fiscal year period; and

WHEREAS, the District must generate revenues in an amount sufficient to cover the District's ongoing costs of operations and maintenance; and

WHEREAS, on May 12, 2011, the Board considered a possible rate schedule that appeared to (1) be sufficient to cover the District's projected expenses for FY 2011/2012, and (2) present a workable concept for rates, including the use of tiered rates to reflect the increased marginal costs incurred by the District as per-meter water usage approaches the full operating capacity of the District's system; and

WHEREAS, any increase in fees and charges for property-related water service must comply with the procedural and substantive requirements of Article XIID, section 6, of the California Constitution, which was enacted by the California Voters in 1996 as part of Proposition 218; and

WHEREAS, the Board directed the General Manager to propose a schedule of rates and to provide notice of the proposed rate increase and the date, time, and location of a public hearing on the proposal, all in compliance with the substantive and procedural requirements of Proposition 218 and other relevant laws; and

WHEREAS, on May 12, 2011, the General Manager proposed a schedule of rates and provided notice of a public hearing on the proposal on June 30, 2011; and

WHEREAS, the District has noticed and conducted a public workshop on the rate increase proposal; and

WHEREAS, the Board conducted a noticed public hearing on June 30, 2011 to consider the proposed rate increase; and

WHEREAS, the following Rate Schedule, for which public notice was provided at least

45 days in advance of this meeting, is sufficient to meet the District's projected one-year budget and meets the substantive legal requirements for water rates:

<u>Base Monthly Service Charge</u>	<u>FY 10/11</u>	<u>FY 11/11</u>
Developed parcels (active & inactive)	\$56.69	\$58.00
Undeveloped parcels	\$49.31	\$58.00
Supplemental Connections	\$12.76	\$14.00

<u>Consumption Charge (per CCF)</u>	<u>FY 10/11</u>	<u>FY 11/12</u>
Tier 1 – up to 25 CCF/mo	\$1.503	\$1.650
Tier 2 – 26 to 49 CCF/mo	\$2.806	\$3.100
Tier 3 – 50 or more CCF/mo	\$6.056	\$6.350

WHEREAS, the Board has calculated the protests submitted, and not withdrawn, to the proposed Rate Schedule and finds that a majority protest does not exist; and

WHEREAS, due to the District's current deficit and lack of sufficient financial reserves, it is necessary for the public health and safety that the rate increase according to the proposed Rate Schedule be effective immediately and charged to the District's rate payers on water bills to be distributed in August 2011.


RESOLVED, that the District Board of Directors of the Rural North Vacaville Water District approves and adopts the Rate Schedule, described above, which shall be effective immediately.

Passed and adopted by the Board of Directors of the Rural North Vacaville Water District on June 30, 2011, by the following vote:

AYES: Directors _____


NOES: Directors _____

EXCUSED: Directors _____



Chris Calvert, President
Board of Directors
Rural North Vacaville Water District

ATTEST:



Dieter Teschke, General Manager
Rural North Vacaville Water District