

RESOLUTION No. 2015-30

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 2015/2016 are \$502,520; and

WHEREAS, the District's year end projected revenues for FY 2014/2015 under the District's existing rate schedule are \$457,980, which is \$49,428 short of projected expenses for that same fiscal year period; and

WHEREAS, the primary reason for this shortfall in the projected operating expenses in excess of revenue is the District's increased expenses for system operation, maintenance and capital improvements; and

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

WHEREAS, the District's Board of Directors directed the General Manager to propose a schedule of rates that would provide sufficient revenues to meet operating expenses; and

WHEREAS, on March 10, 2015, the Board considered the General Manager's proposed rate schedule, which appeared to be sufficient to cover the District's projected expenses for FY 2015/2016 through FY 2019/2020; 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 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 March 10, 2015, the General Manager provided notice of a public hearing on the proposal, to be conducted on June 9, 2015; and

WHEREAS, the Rate Schedule, attached hereto as Table 1, for which public notice was provided at least 45 days in advance of this meeting, is sufficient to meet the District's projected five-year budget and meets the substantive legal requirements for water rates; 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 9, 2015 to consider protests against the proposed rate increase; and

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 be effective at this time and that such increased rates be charged to the District's rate payers on water bills distributed for the next billing cycle.

RESOLVED, the Board of Directors of the Rural North Vacaville Water District approves and adopts the Rate Schedule, described in Table 1, as a Maximum Rate Schedule, which establishes the maximum rates that the District may charge for water service without conducting a further protest hearing in compliance with Proposition 218.

RESOLVED, the Board of Directors of the Rural North Vacaville Water District approves and adopts the following new and increased rates, which are less than or equal to the maximum rates established in Table 1 and which shall be charged to the District's rate payers on water bills distributed for the next billing cycle:

New Rates:

Monthly Capital Replacement Charge	\$10.00
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Increased Rates:

Base Monthly Fee	
Developed connection	\$70.00
Undeveloped connection	\$70.00
Supplemental connection	\$17.00

RESOLVED, the Board of Directors of the Rural North Vacaville Water District elects not to increase the District's tiered rates and not to change the tier levels at this time and will explore ways to reduce the District's expenses, including deferring planned capital improvements.

RESOLVED, the Board of Directors of the Rural North Vacaville Water District directs the District's General Manager to take all appropriate measures to reduce the District's operating expenses as much as possible, including deferring planned capital improvements where possible, and to provide a report to the Board in six months describing all such measures taken by the General Manager and the financial situation of the District in light of those measures. The Board may consider further rate increases, within the maximums established in Table 1, at that time.

Passed and adopted by the Board of Directors of the Rural North Vacaville Water District on June 9, 2015, by the following vote:

AYES:	Directors	<u>Bob Whitehouse, Doug Thomson, Reed McLaughlin,</u> <u>Trish Landis, Chris Calvert</u>
NOES:	Directors	<u>None</u>
EXCUSED:	Directors	<u>None</u>

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

ATTEST:

Gordon Stankowski
Gordon Stankowski, General Manager
Rural North Vacaville Water District

TABLE 1
Rural North Vacaville Water District Proposed and Maximum Rates

2% yearly July rate increase 1.02%

<u>Base Monthly Fee</u>	<u>Current</u>	<u>July 2015</u>	<u>July 2016</u>	<u>July 2017</u>	<u>July 2018</u>	<u>July 2019</u>
Developed Connections	\$ 58.00	\$ 70.00	\$ 70.71	\$ 71.44	\$ 72.16	\$ 72.90
Undeveloped Connections	\$ 58.00	\$ 70.00	\$ 70.71	\$ 71.44	\$ 72.16	\$ 72.90
Supplemental Connections	\$ 14.00	\$ 17.00	\$ 17.17	\$ 17.35	\$ 17.53	\$ 17.70

Monthly Tier Levels

Tier 1	0-25 ccf	0-15 ccf	Fixed
Tier 2	26-50 ccf	16-35 ccf	Fixed
Tier 3	over 50 ccf	over 35 ccf	Fixed

<u>Monthly Water Usage Rates</u>	<u>Current</u>	<u>July 2015</u>	<u>July 2016</u>	<u>July 2017</u>	<u>July 2018</u>	<u>July 2019</u>
Tier 1	\$ 1.65	\$ 2.00	\$ 2.02	\$ 2.04	\$ 2.06	\$ 2.08
Tier 2	\$ 3.10	\$ 3.75	\$ 3.79	\$ 3.83	\$ 3.87	\$ 3.91
Tier 3	\$ 6.35	\$ 7.50	\$ 7.58	\$ 7.65	\$ 7.73	\$ 7.81

<u>Monthly Capital Replacement Charge</u>	\$ -	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
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