

RURAL NORTH VACAVILLE WATER DISTRICT INFORMATION PACKET

NOTICE OF PUBLIC HEARING

REGARDING PROPOSED INCREASE TO WATER RATES AND CAPITAL RECOVERY CHARGES

The Public Hearing will be held as part of the Regular District Board Meeting on Thursday August 31, 2023 at 7:00 pm at the Fire Station, 4135 Cantelow Road, Vacaville, 95688

In advance of the public hearing, the Rural North Vacaville Water District (RNVWD) will hold informational customer outreach meetings on the proposed water rates and answer questions and receive public comments at one (1) informational public meetings.

Informational Customer Public Outreach Meetings

1. 7:00 pm – Tuesday, August 1, 2023

Directors, staff, and the public may participate by attending in person these meetings held at the Fire Station at the 4135 Cantelow Road, Vacaville, 95688

Basis and Reasons for the Proposed Water Rates and Capital Recover Charge (CRC).

- A. The District's approved budget for operating expenses for fiscal year, (FY) 2023/2024 includes water rate funding for Capital Expenses for anticipated improvements to infrastructure.
- B. The District's 8 year Capital Improvement Plan for FY 2023/2024 includes replacement of service water meters, improvements for an exposed water main in the Cantelow slip area, and other on going major repair and maintenance that requires increased water rate funding.
- C. The District must generate revenues in an amount sufficient to offset increased operating expense of about 22% from inflationary effects since 2019 and to allow for inflation in future years. We have not had a usage or base rate increase since 2019.
- D. The District must generate funds to build back the district reserve account to meet the board approved target amount of \$1,500,000. The current reserve account is underfunded by over one million dollars.
- E. Link to a packet of more detailed information regarding the rate increase can be found on the home page of our website at www.rnvwd.com.

Amount of Proposed Water Rates and CRC and other charges

The proposed water rates and CRC are shown in Table 1 attached at the end of this notice. Specific water bills for individual customers will vary based on actual amount of water used and number of supplemental water rights they may own, if any.

Definitions

CCF = 748 gallons (one-hundred cubic-feet) of water. This is the unit of measure used for billing.

Supplemental Water Right: This is a future connection in addition to a "Base Connection" for customers that own more than one water right.

Base Service Connection: The Developed or Undeveloped Connection used by our Core billing software, one per customer, this rate is for all fixed monthly operational cost.

CRC-Capital Recovery Charge: Capital Improvement Projects authorized by the Board each year.

Uniform Usage Rate: Covers our variable monthly cost to produce water and it is uniform across all Tiers. Tier structure is shown below. Tiers are used to track usage. Tier 1: 0-25 CCF (0-18,700 gallons)

Tier 2: over 25- 50 CCF (37,400 gallons) Tier 3: over 50-100 CCF (74,800 gallons).

Written Protests

Any affected property owner/customer may submit a written protest to the proposed water rates and CRC; provided, however, only one protest will be counted per identified property. Each protest must: (1) be in writing; (2) state that the identified owner/customer opposes the proposed water rates; (3) Identify the property for which the protest is made (by assessor's parcel number or street address); and (4) include the name and signature of the property owner/customer. (5) Mail to RNVWD Board Clerk, Attn: "Water Rate Protest", P.O. Box 1449, Vacaville, Ca. 95696 or submitted by hand in person by the owner/customer on the day of the public hearing.

Protests submitted by e-mail, facsimile or other electronic means WILL NOT BE COUNTED.

Written Protests returned by U.S. Mail, to be considered valid must be received prior 5pm on the date of the Public Meeting. Written protests may also be hand delivered only by the owner/customer in person to the board clerk at the start of the public hearing. A Protest Form is provided and attached.

During the public hearing, the Board will hear a brief staff presentation and public comments. The Board will then close the public hearing and count all written protests. While the Board welcomes your comments, oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest.

If written protest is against the proposed rates and CRC are presented by most owners/customers of the parcels subject to the proposed increase, the Board will not impose the increase. Should the Board, however, receive written protests from less than a majority of affected parcels, then the Board may adopt the proposed water rates. If adopted, the water rates and CRC will become effective starting on the September month end billing.

If you have any questions regarding the proposed water rates, please contact Dale Motiska, General Manager at 707-564-0750 or by e-mail gm@rnvwd.com.

RURAL NORTH VACAVILLE WATER DISTRICT

Proposed Water Rate Table

3 Year Plan

<u>Rate Description</u>	<u>Current</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Base Fee	\$ 72.90	\$ 74.00	\$ 79.18	\$ 84.72
CRC, Capital Recovery Charge	\$ 45.00	\$ 78.00	\$ 83.46	\$ 89.30
Tier 1, 2 & 3 Usage	\$ 2.08	\$ 3.00	\$ 3.21	\$ 3.43
Supplemental Fee	\$ 45.00	\$ 78.00	\$ 83.46	\$ 89.30

Year 1 increase needed to balance the budget

The Year 1 rate will increase the fixed monthly Base Rate by \$1.10

The Year 1 rate will increase fixed monthly CRC by \$33.00

Usage Rate will increase 92 cents per each CCF or per 748 gallons

A customer using 10ccf per month, the monthly usage increase will be \$9.20

Proposed 7% Increase for year 2 and year 3
7% is to cover cost of inflation and remaining amount is to build reserves

Rural North Vacaville Water District

SAMPLE PROTEST FORM

Notice of Public Hearing Regarding
Proposed Water Rates & Capital Recovery Charges

Property Owner or Tenant Name: _____

Assessor's Parcel Number: _____

Or

Property Address: _____

Property Owner or Tenant protests the proposed rates or charges

Property Owner or Tenant:

Signature: _____

Date: _____

If a customer does not wish to "protest", you do not need to fill out nor mail this form. No Action is necessary.

If a customer does wish to "protest" you must complete this entire form for the protest to constitute a valid protest. Only one form or "protest" is allowed per property.

Protest submitted by e-mail, facsimile or other electronic mean WILL NOT BE COUNTED.

Written protests are to be submitted by mail to: **RNVWD Board Clerk, Attn: "Water Rate Protest", PO Box 1449, Vacaville, CA 95696.** Written protests can also be personally hand delivered to the board clerk at the start of the Public Hearing.

Written protests sent via U.S. Mail must be received prior to the close of the Public Meeting on August 31, 2023 to be tabulated.



REASONS FOR THE NEW PROPOSED WATER RATES

- **System Maintenance:** To continue providing clean, safe, and reliable water, we must maintain and upgrade our ageing water system infrastructure, which includes pipes, treatment plants, generators, testing, wells, pumps, and leak repairs.
- **Rising Operating Costs:** To keep up with inflation, the cost of everything, including all operating expenditures, has been going up year over year. The district needs to keep up with these costs.
- **Fire Protection:** Water is essential for fire protection. A water district that is not financially secure may not be able to provide enough water to fight fires.
- **Building a Reserve:** Current rates have not been keeping up with cost, this has resulted in the district using its reserves to make up the difference. Current reserves will be exhausted without this new rate increase. Without a strong financial position, we are unable to build a reserve for emergency situations.
- **Financial Stability:** The district has been financially responsible, having been audited yearly, having cut costs aggressively, and winning awards for transparency. The proposed rate is necessary to generate sufficient revenue to continue the practice of fiscal responsibility.

WHERE CAN I GET MORE INFORMATION?

Find detailed information visit website at WWW.RNVWD.COM

You can also call us at 707-447-8420.