

RESOLUTION No. 2023-70

**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 2023/2024 is \$1,172,860; and

WHEREAS the District's projected revenues for FY 2023/2024 is \$905,489 which is \$267,371 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 operations, repairs, maintenance, and capital improvements; and

WHEREAS the current District Reserve Policy establishes a \$1,500,000 total reserve amount. The current total reserve amount is approximately \$500,000 leaving a shortfall of \$1,000,000; and

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

WHEREAS, on April 11, 2023, the Board considered a possible rate schedule that appeared to be sufficient to cover the District's projected expenses for FY 2023/2024 through FY 2027/2028, and

WHEREAS any increase in fees and charges for property-related water service must comply with the procedural and substantive requirements 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 April 11, 2023, the General Manager proposed a schedule of rates and provided notice of a public hearing on June 13, 2023; and

WHEREAS, the District has noticed and conducted two public informational workshops on the rate increase proposal; and

WHEREAS the Board conducted a noticed public hearing on June 13th and

continuation of the public hearing on June 20th, 2023 to consider the proposed rate increase; and

WHEREAS, the following Rate Schedule, Table 1, for which public notice was provided, is sufficient to meet the District's projected five-year budget and meets the substantive legal requirements for water rates:

WHEREAS, the Board has calculated the protests submitted, and not withdrawn, to the proposed Rate Schedule and finds that a majority protest does not exist; and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 for the month of July services each fiscal year, commencing July 1, 2023 for fiscal year FY 23/24; July 1, 2024 (FY 24/25); July 1, 2025 (FY 25/26); July 1, 2026, (FY 26/27); and July 1, 2027 F(Y 27/28).

RESOLVED, that the Board of Directors of the Rural North Vacaville Water District approves and adopts the Rate Schedule, described in Table 1.

Passed and adopted by the Board of Directors of the Rural North Vacaville Water District on June 20, 2023, by the following vote:

AYES: Directors _____

NOES: Directors _____

EXCUSED: Directors _____

Patrick Sweeney, President
Board of Directors
Rural North Vacaville Water District

ATTEST:

Gordon Stankowski, General Manager
Rural North Vacaville Water District

Rural North Vacaville Water District

Water Rate Schedule Table 1, Resolution 2023-70

Fiscal Years (FY) starts July 1 st of each year and ends June 30 th of the following year.

Fiscal Year Ending	2023	2024	2025	2026	2027	2028
	Current	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Rate Descriptions</u>	<u>FY 22/23</u>	<u>FY 23/24</u>	<u>FY 24/25</u>	<u>FY 25/26</u>	<u>FY 26/27</u>	<u>FY 27/28</u>
Base Fee	\$ 72.90	\$ 89.00	\$ 92.56	\$ 96.26	\$ 100.11	\$ 104.12
CRC, Capital Replacement Charge	\$ 45.00	\$ 65.00	\$ 67.60	\$ 70.30	\$ 73.12	\$ 76.04
Tier 1 Usage 0-25 CCF	\$ 2.08	\$ 3.00	\$ 3.12	\$ 3.24	\$ 3.37	\$ 3.51
Tier 2 Usage 25-50 CCF	\$ 2.08	\$ 3.00	\$ 3.12	\$ 3.24	\$ 3.37	\$ 3.51
Tier 3 Usage 50-100 CCF	\$ 2.08	\$ 3.00	\$ 3.12	\$ 3.24	\$ 3.37	\$ 3.51
Supplemental Fee	\$ 45.00	\$ 65.00	\$ 67.60	\$ 70.30	\$ 73.12	\$ 76.04