

individually, and this metered usage was used to calculate the energy consumed. The volume of water is calculated from flowmeters at the District facilities. The District supplies treated water only and does not supply any untreated water.

## **CHAPTER 6 Water System Reliability**

### **6.1 System Reliability**

This chapter discusses the District's water supply reliability under varying conditions through 2028. The District's system reliability is also gaged by the age and condition of the system's pipes and pumps. Factors impacting long term reliability of water supplies are discussed. In assessing the District's water supply reliability, a comparison of projected water supplies and projected water demand in normal, single dry, and five consecutive dry years is provided for the District's water service area. This chapter also includes the District's Drought Risk Assessment (DRA) for the next five years. Findings show that the District's water supplies are sufficient to meet the existing and projected water demands during normal and dry conditions.

### **6.2 Groundwater Evaluation**

Evaluation of groundwater supply sufficiency, based on 2022, the District has determined that in order to manage the local groundwater supply sustainably, around 100,000 CCF can be pumped annually. (Coastland DCCM Conditional Assessment 4/2023)

### **6.3 Constraints on Water Sources**

The District's water supply is from District owned and operated groundwater wells located within the District's water service area. The District's groundwater supply is impacted by groundwater availability, groundwater quality, and climate change. Prior to 1959, the Solano Subbasin showed groundwater levels declining due to increased agricultural and urban development. After the implementation of the Solano Project in 1959 to store surface water in Lake Berryessa, groundwater levels in the Solano Subbasin have rebounded and the subbasin is in a state of equilibrium. Since the 1980s, the groundwater levels have been stable with low levels in the dry season and high levels in the wet season of each year. This trend is shown with monitoring well 07N01E12N002M, which is the closest monitoring well to the City of Dixon. Prior to 1980, groundwater levels ranged from 5 to 50 feet. The quality of groundwater underlying the District in the Solano Subbasin is good quality and is suitable for domestic purposes. Total dissolved solids (TDS) concentrations generally range from 250 to 500 milligrams per liter (mg/L) and are comprised predominantly of calcium, magnesium, arsenic and sodium cations and bicarbonate anions. The groundwater is hard to very hard. (City of Dixon UWMP 2020)

### **6.4 Water Service Reliability and Drought Risk Assessment**

**1) Normal Year** – This condition represents the water supplies the District consider available during normal conditions. This could be a single year or averaged range of years in the historical

sequence that most closely represents the median or average water supply available. The year 2006 represents a normal year for the District. This year represents the District's typical year where all of its combined water supply sources are available to meet demands. Annual precipitation data from 2005 to 2020 was reviewed and precipitation data from 2005 to 2011 was selected to determine the District's normal year.

More recent years have not been normal. A statewide drought occurred from 2012 to 2016. The 2017 to 2020 years were either wet years or dry years. Further, a post-drought rebound appears to occur after 2016.

**2) Single Dry Year** – This condition represents the year with the lowest water supply availability to the District. The year 2013 represents the Single Dry Year for the District

**3) Five Consecutive Year Drought** – This condition represents a five-consecutive-year drought period such as the lowest average water supply available. For five years in a row since 2005. The years 2011 through 2015 represent the Five-Consecutive-Year Drought years for the District.

The basis of the hydrologic years used precipitation data from CIMIS monitoring station to the District. Annual precipitation data from 2005 to 2020 was reviewed to determine the basis years. During a portion of this time period, the District was in a Joint Powers Agreement (JPA) with Solano Irrigation District (SID) from 2006 to present. The District managed the administrative aspect of the public water system, while SID conducted operation and maintenance. Years that the District identifies as the historical average, single driest year, and driest multi-year period are shown in Table 6.4 below.

<b>Table 6.4 Basis of Water Year Data City of Dixon UWMP 2020</b>	
	<b>Base Years</b>
Normal Water Year	2006
Single Dry Water Year	2013
Five-Consecutive-Year Drought	2011 - 2015

Groundwater is monitored by the District and member agencies for SCWA that withdraw from the basal zone of the Tehama Formation in order to maintain groundwater levels and prevent overdraft conditions. The ongoing monitoring program and groundwater management efforts are being evaluated and described in more detail in the Solano Subbasin Groundwater Sustainability Plan. To date, none of these groundwater constraints are known to conflict with what will be outlined in the Groundwater Sustainability Plan.

Groundwater is typically higher in hardness and mineral content than surface water sources, but is less seasonally variable than surface water sources, so no seasonal constraints apply to groundwater quality. Groundwater treatment includes chlorination and fluoridation at the wellhead. The chlorination of groundwater is to ensure a sufficient chlorine residual in the distribution system to prevent proliferation of harmful organisms. (City of Dixon UWMP 2020)

## **6.5 Water Quality**

High quality water is supplied to customers in the District as described in the District's Annual Drinking Water Quality Reports ([www.RNVWD.com](http://www.RNVWD.com)). The quality of the District's water supply is not expected to change significantly over the next five years. Water is drawn from the Sample Stations for quality testing. See Figure 6.5.1 on the following page.

**STRATEGIC GOAL S: IMPROVE WATER QUALITY WITH SUCH ACTIONS AS DETERMINING FLUORIDATION PRACTICES PER CALIFORNIA DIVISION OF DRINKING WATER.**

## **6.6 Water Service Reliability in Dry Years**

In this chapter, the District's normal, single dry year, and five consecutive dry years projected supplies and demands are integrated and compared. Under the various water year types, the total annual water supply sources available are compared to the total annual projected water use for the District's water service area from 2025 to 2045 in five-year increments.

The District's groundwater supply is expected to meet the District's projected water demands. Per DWR, the Solano Subbasin is not adjudicated (i.e., no dispute over the legal rights to the groundwater in which a court must issue a ruling), and DWR has not identified this basin (Basin 5-21.66) as either in overdraft or expected to be in overdraft. The Solano Substation is not in overdraft due to the completion of the Solano Project, which has allowed for the storage and use of surface water and the rebound of groundwater levels. The Solano Subbasin is also monitored and managed by the Solano Collaborative. (City of Dixon UWMP 2020). The District is not limited in how much groundwater it can use. The District only uses as much groundwater as is necessary to meet its demands. Thus, the projected water supply and demand are equal for each base year type.

### **6.7 Water Service Reliability – Single Dry Year**

No water supply shortage is anticipated during single dry years through 2045. The District's water supplies are reliable during single dry years.

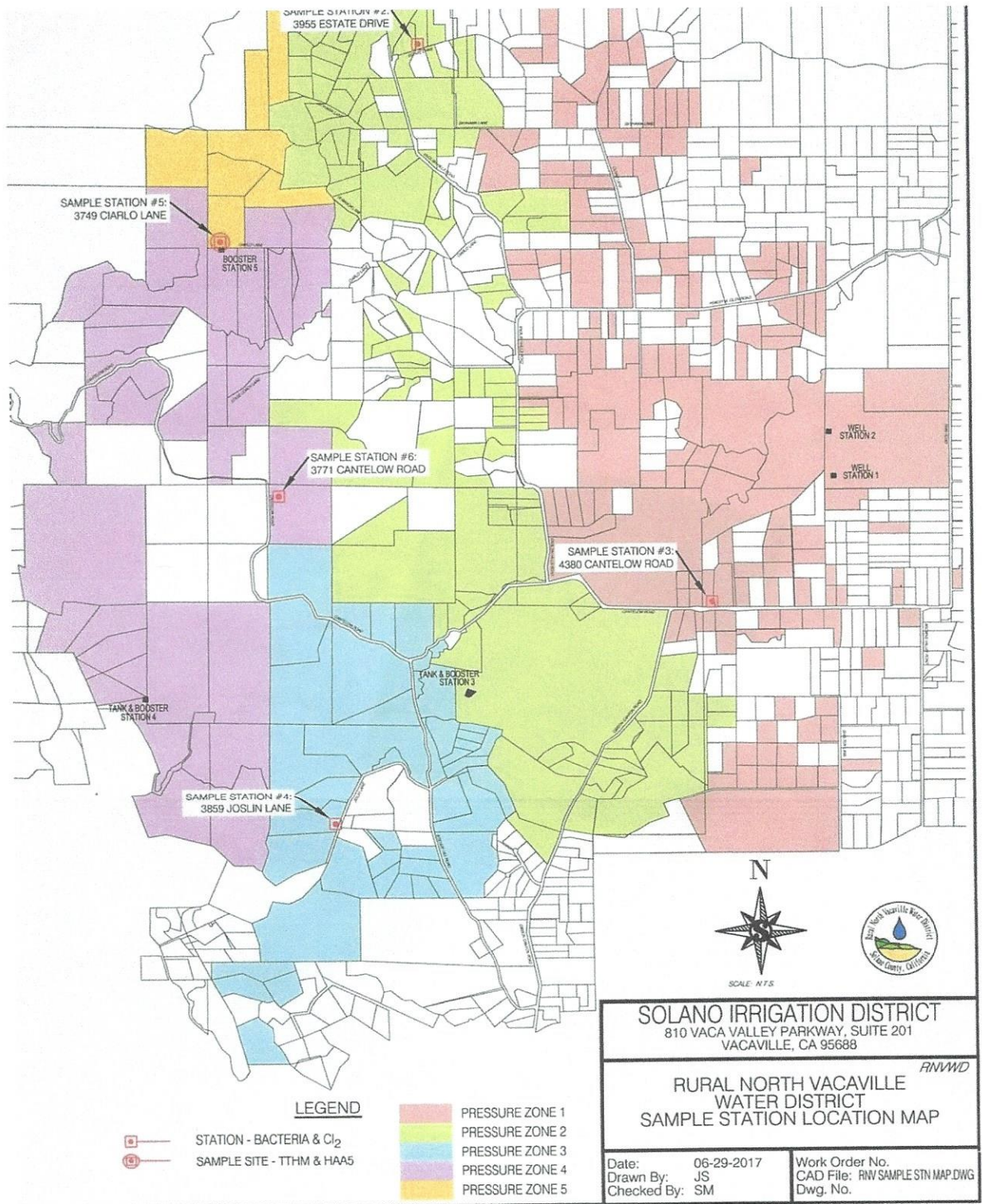
### **6.8 Water Service Reliability – Five Consecutive Dry Years**

No water supply shortage is anticipated during the five consecutive dry years through 2045. The District's water supplies are reliable during five consecutive dry year period.

### **6.9 Description of Management Tools and Options**

The District plans to continue to use groundwater as necessary to meet its projected water

**Figure 6.5.1 Sample Station Location Map Municipal Service Review 4/22/2022**



demands during the different base years. Groundwater is expected to be sufficient to meet all projected demands, assuming the District rehabilitates existing groundwater wells and constructs new groundwater wells as the need arises.

**STRATEGIC GOAL T: THE DISTRICT WILL CONTINUE TO MONITOR ITS EXISTING GROUNDWATER SUPPLIES.**

**6.10 Groundwater**

Available supply of groundwater is described in detail; see Groundwater Sources in Northern Solano County map (Luhdorff & Scalmanini, Consulting Engineers). Increased pumping during dry years will cause groundwater levels to decrease, but based on the results of the groundwater model, groundwater levels will return to normal levels once pumping decreases to normal year rates.

Groundwater supplies are projected to meet or exceed projected water demands, even during extended drought conditions. Future water supply will be adequate to offset future water demands during a normal year, a single dry year, and a five-consecutive-year drought. See Figure 6.10.1 on the following page.

**CHAPTER 7 Water Shortage Contingency Planning**

This chapter discusses the District's Water Shortage Contingency Plan (WSCP), and WSCP adoption procedures.

**7.1 Background**

Water shortages occur whenever the available water supply cannot meet the normally expected customer water use. This can be due to several reasons, including climate change, drought, and catastrophic events. Drought, regulatory action constraints, and natural and manmade disasters may occur at any time. A WSCP presents how an urban water supplier plans to respond to a water shortage condition and help prevent catastrophic service disruptions.

In 2018, the California State Legislature enacted two policy bills, (SB 606 (Hertzberg) and AB 1668 (Friedman)) (2018 Water Conservation Legislation), to establish a new foundation for long-term improvements in water conservation and drought planning to adapt to climate change and the resulting longer and more intense droughts in California. The 2018 Water Conservation Legislation set new requirements for water shortage contingency planning; the District's WSCP has been prepared to be consistent with these requirements.

**7.2 District Water Shortage Contingency Plan**

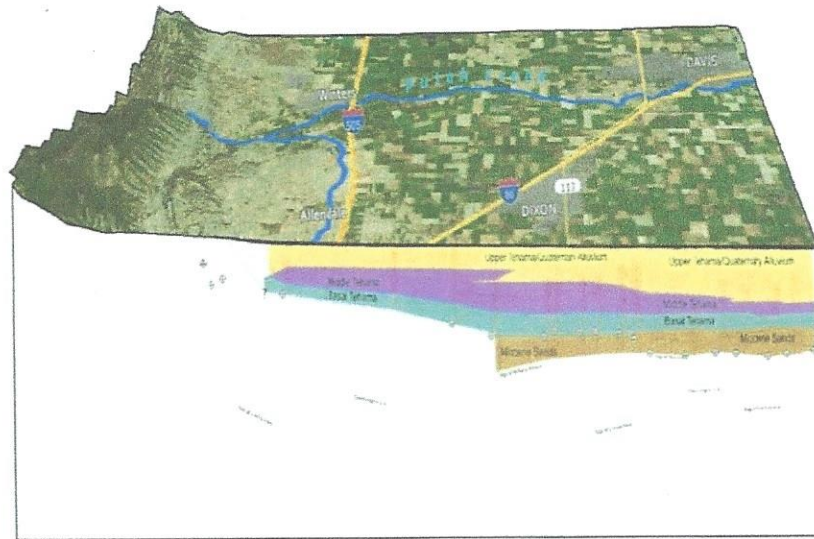
The District's WSCP was developed to provide a strategic plan for preparing and responding to water shortages. The WSCP includes water shortage stages and associated shortage response actions, as well as the District's legal authorities, communication protocols, compliance and enforcement, and monitoring and reporting.

**STRATEGIC GOAL U: THE DISTRICT INTENDS FOR ITS WSCP TO BE AN ADAPTIVE MANAGEMENT PLAN SO THAT IT MAY ASSESS RESPONSE ACTION EFFECTIVENESS AND ADAPT**

Figure 6.10.1

GROUNDWATER SOURCES IN NORTHERN SOLANO COUNTY

Tehama Formation Cross Section



Source: Luhdorff & Scalmanini, Solano Sub-basin Groundwater Sustainability Plan

## TO FORESEEABLE AND UNFORESEEABLE EVENTS.

### **7.3 Drought Risk Assessment**

This drought risk assessment identifies the data and methods used, the basis for supply shortage conditions, a determination of the reliability of each water supply source, and a comparison of total water supplies and use during a potential drought.

### **7.4 Basis for Water Shortage Conditions**

Water shortage conditions for this drought risk assessment are based on increased frequency and severity of drought condition seen in recent years, conditions that are projected to continue due to climate change. The District has also seen reduced availability of State Water Project water and Settlement Water in recent years due to constraints on the Sacramento Delta, and expects the reliability of these sources to decrease significantly under drought conditions. Based on conjunctive use of the District's groundwater from the Basal Tehama formation, groundwater is a reliable source. This makes the overall water system reliability relatively high.

### **7.5 Groundwater Levels**

Increased pumping during dry years will cause groundwater levels to decrease, but groundwater levels are expected to return to normal levels once pumping decreases to normal year rates. Consequently, reliability of groundwater was also determined to be excellent (Coastland DCCM 4/23).

In summary, the WMP/SP concluded that based on 2020 demand and supply data, projected supply is sufficient to meet projected demand for the next five years. (Coastland DCCM Condition Assessment 4/2023)

### **7.6 Supply and Demand Assessment Procedures**

Beginning in 2024, the District will conduct an Annual Water Supply and Demand Assessment in order to 1) submit an annual report to DWR on July 1, 2024 and each July 1 thereafter, and 2) to determine if a water shortage condition exists requiring an appropriate water shortage response action.

### **7.7 Supply and Demand Assessment**

The procedures for the supply and demand assessment that will be conducted each year will include the following elements:

- The District will evaluate the water supply reliability for the current year and one dry year.
- A report on the water supply reliability for the current and projected water supply reliability for the next year will be prepared and posted to the District's web site.
- The report will include a determination as to whether or not a water shortage condition exists and if a water shortage response action is recommended.
- The annual Supply and Demand Assessment report will be prepared and submitted to DWR by July 1. The format for the report is expected to be finalized in 2024.

### **7.8 Supply and Demand Assessment Key Data Inputs**

The evaluation of the District's water supply reliability for the current year and one dry year will include the following key data inputs:

- Current year unrestrained demand (no conservation measures) considering weather/climate impacts, population growth projections, and any policies which may impact the ability to meet future or projected demands.
- Current year available supply, considering any hydrological and/or regulatory conditions in the current year and at least one dry year.
- Existing water system infrastructure and if there are any potential constraints.
- Description and quantification of each water supply source included in the WMP.

### **7.9 Evaluation Criteria and Methodology**

The following criteria shall be utilized when conducting the annual Supply and Demand assessment:

- The water reliability evaluation will generally commence in March each year. However, nothing in this plan will prohibit the assessment to start sooner if conditions warrant it.
- Data used in the evaluation will be captured via spreadsheet, computer model, or other available tools.
- Any local conditions or uncertainties that impact supply or demand conditions will be taken into consideration.

### **7.10 Drought Risk Assessment**

This drought risk assessment identifies the data and methods used, the basis for supply shortage conditions, a determination of the reliability of each water supply source, and a comparison of total water supplies and use during a potential drought.

### **7.11 Basis for Water Shortage Conditions**

Water shortage conditions for this drought risk assessment are based on increased frequency and severity of drought conditions seen in recent years, conditions that are projected to continue due to climate change. Based on conjunctive use of the District's groundwater from the Basal Tehama formation, groundwater is a reliable source. This makes the overall water system reliability relatively high in Drought Conditions (VMC Section 13.20.050)

Drought conditions will be in effect when there is a water shortage necessitating a reduction in water use within the District.

Water shortage stages may be declared by the RNVWD Board in response to one or more water supply conditions or events.

Each stage of water shortage corresponds with a water conservation response to a specified reduction in water supply. Each stage requires either a voluntary or mandatory reduction in water use by all customers which may include, mandatory limitations or prohibitions on specific types of water use.



These stages have been updated to comply with the six Standard Water Shortage Stages established by DWR in 2019. The criteria for triggering the District's water shortage stages based on water supply is shown in Table 7.11.1.

**Table 7.11.1 DWR Water shortage contingency plan levels**

Shortage Stage	Percent Shortage Range	Water Shortage Response Action
Normal	0%	Voluntary Conservation
1	0% - 10%	Conservation measures including outreach, education, and incentives
2	11% - 20%	Promotion of incentives, water use surveys; water waste monitoring and reporting; improved billing and tracking of usage; suspended hydrant flushing; accelerated system leak detection
3	21% - 30%	Restrictions on outdoor irrigation; water usage patrols; high water use reporting; cease operation of non-recirculating water features
4	31% - 40%	Restriction on outdoor irrigation; restrict/cease outdoor water use; residential and commercial water use allocations; excessive use penalties; restrictions on development and landscaping; curtail business use
5	41% - 50%	Require covers and other restrictions on pools; decrease water use allocation; restrict installation of turf grass; supply augmentation
6	50%+	Decrease water use allocation

**Normal Conditions:** At this stage there is no identified reduction in available water supply sources. Water customers are encouraged through multiple outreach sources to use water efficiently in order to achieve voluntary water conservation.

**Stage 1 (voluntary):** This stage may be declared when a reduction in total available water supply sources of 10% occurs. At this stage water customers shall be asked to conserve water through a voluntary reduction in water use of up to 10%.

**Stage 2 (voluntary to mandatory):** This stage may be declared when a reduction in total available water supply sources of 11% up to 20% occurs. At this stage water customers shall be asked to conserve water by up to 20% through employment of both voluntary and mandatory conservation measures including incentives, water use surveys, improved billing, and suspension of hydrant flushing.

**Stage 3 (mandatory):** This stage may be declared when a reduction in total available water supply sources of 21% up to 30% occurs. At this stage water customers shall be required to conserve water through a mandatory reduction in water use of up to 30%. In addition to the measure taken in Stage 2, customer usage may be monitored, and communications made to customers to reduce their water use. Limitations may be placed on outdoor irrigation.

**Stage 4 (mandatory to emergency):** This stage may be declared when a reduction in total available water supply sources of 31% up to 40% occurs. At this stage water customers shall be

required to conserve water through a mandatory reduction in water use of up to 40%. Additional limitations and/or restrictions to outdoor irrigation may be implemented. In addition to the measures taken in Stage 3, residential water use allocation may be implemented and penalties for use of in excess of those allocations may be levied. Shortage Response Actions may be applied as needed to achieve the desired water use target.

**Stage 5 (mandatory, emergency):** This stage may be declared when a reduction in total available water supply sources of 41% up to 50% occurs. Residents will be required to cease all non-essential use of water. In addition to the measure taken in Stage 4, residential water use allocation may be adjusted to achieve the desired water use target. The District may enact measures to augment the available water supply sources.

**Stage 6 (mandatory, emergency):** This stage may be declared when a reduction in total water supply sources exceeds 50%. In addition to the steps taken at Stage 5, residential water use allocations will be adjusted to achieve the desired water use target. (DWR)

#### **7.12 Water Emergency:**

A water supply emergency may be declared at any time when there is a reduction in total available water supply sources resulting from an emergency drought condition, catastrophic interruption such as a natural disaster, power outage or bio-terrorism attack on the District's water treatment and distribution system occurs. At this stage water use may be restricted based on the impact to the available water supply.

Water conservation action stages may also be triggered by local, state, or federal action impacting the management of the District's water supply sources. The General Manager or his/her Designee, shall use multiple sources of information to make a recommendation to the RNVWD Board on the implementation of one or more specific water shortage stages.

#### **7.13 Water Waste Prohibitions**

No user of the District's water system may knowingly make, cause, use or permit the use of water from the system in a manner that violates the District's Rules and Regulations.

- Excessive water runoff due to landscape irrigation activities.
- Washing of vehicles, equipment, structures, and other items without the use of a shutoff nozzle.
- The escape of water through breaks or leaks within the water users' plumbing or system that is not repaired within 48 hours of discovery.
- Fire hydrants used for purposes other than firefighting, water quality, maintenance, sanitation, and construction.

#### **7.14 Water Conservation Measures**

The District has an established Water Conservation program which promotes the efficient use of water through public outreach, education, and effective management of its water supply and distribution system. The program is consistent with industry best practices and includes the following measures:

- Water Efficiency Use information and education through the District's website and utility

- billing.
- Distribution of water efficient fixtures and resources.

In the event a water shortage stage is declared, in addition to the ongoing water conservation measure employed by the District the additional measures below may be taken:

- Expansion of public information campaign.
- Directed promotion of water use surveys.
- Enhanced water conservation information on billing.
- Enhanced water efficiency education.
- Encourage customers to identify and repair leaks in a timely manner.

#### **STRATEGIC GOAL V: ENSURE WATER CONSERVATION AND USE EFFICIENCY STRATEGIES THROUGH PROVEN COST-EFFICIENT MEASURES.**

##### **7.15 Water Use Restrictions**

During drought stages, the Board can implement additional water use restrictions as appropriate to achieve the desired level of conservation. Potential and additional restrictions include:

- Decrease or stop hydrant flushing (see Figure 7.15.1 on the following page).
- Expand system leak detection program.
- Limit watering and irrigation of plants, trees, and landscaping to specified days and/or hours of the day. Depending upon the severity of the water shortage, this may include limiting water buckets/hoses or prohibition of all irrigation completely.
- Depending upon the severity of the water shortage, limit other outdoor water use such as, but not limited to, the washing of equipment or vehicles to specified times during the day, on specified days only, or prohibit all outdoor uses of water altogether.

##### **7.16 Operational Changes**

The District will continue to evaluate operational and maintenance procedures in order to identify opportunities for improved efficiency in water delivery and reduce nonrevenue system water loss.

##### **7.17 Emergency Response Plan**

The Emergency Response Plan includes the following elements:

- List of water system components (wells, distribution system, storage tanks).
- Measures to be taken prior to and following an emergency event.
- List of emergency operation personnel.
- Information regarding coordination with police and fire department personnel.

# 7.15.1 Fire Hydrant Map

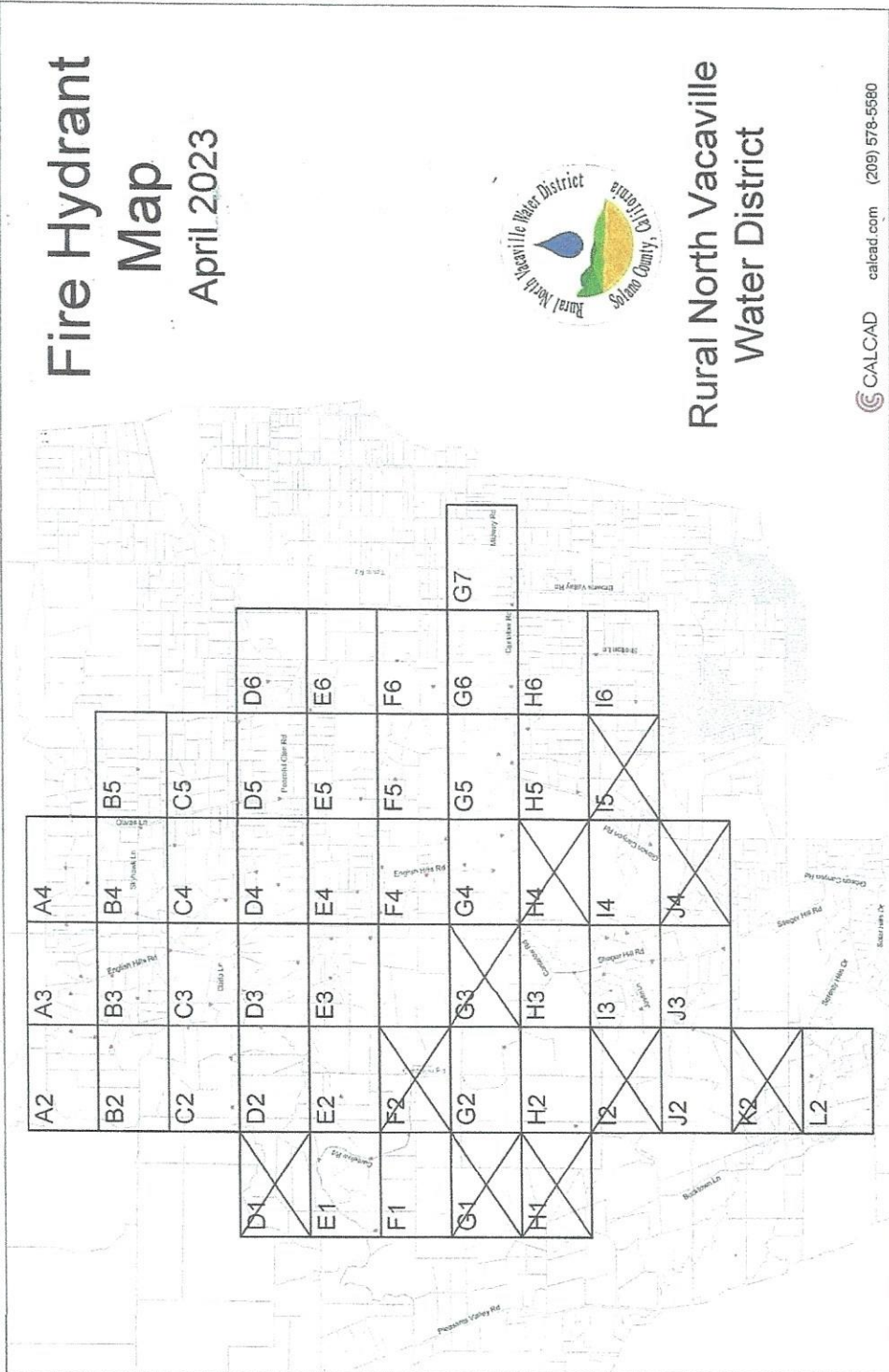
## Fire Hydrant Map

April 2023



Rural North Vacaville  
Water District

CALCAD calcad.com (209) 578-5560



- List of water testing laboratories, water system contractors, and pipe repair and installation contractors.

In the event of a catastrophic interruption or other emergency, the RNVWD Board can direct the implementation of the Emergency stage of water conservation action.

### **7.18 Communication Protocols**

The District will communicate any significant changes to, or shortages in, available water supply sources, as well as any disruption of service, to its water customers; the general public; and local, regional, and state government agencies as required and necessary. Communications and/or updates may be made through the District's website, utility billing inserts or press releases in local newspapers, radio or television stations.

### **7.19 Compliance and Enforcement**

The District will endeavor to achieve water use reduction targets when possible through voluntary compliance measure which will include existing and enhance water conservation communication, education, outreach and incentive programs.

### **7.20 Compliance and Enforcement Protocols**

In the event that water target reductions are not met and/or water shortages occur that cannot be met simply through voluntary measure, the District may enact compliance and enforcement protocols to ensure compliance. This measure may include penalties/surcharges for excessive water use in the event of a declaration of water shortage and implementation of water use restrictions or allocations.

Under the Normal conditions, water rates shall be established and modified from time to time with the objective of fully compensating for the acquisition, treatment, and distribution of water through revenues collected from customers, and promoting beneficial use of the water. There are no penalties for high water use under the Normal condition.

In Drought and Emergency conditions in which a water conservation stage is declared and conservation goals set, penalties, in the form of surcharges on the water bill, may be assessed for water use in excess of the conservation goal and/or water use allocation. For any instance the customer will be assessed a surcharge of the variable water charges for that billing period as a penalty for excessive water use.

### **7.21 Monitoring and Reporting**

#### **7.21.1 Normal Conditions**

In Normal stage water supply conditions, production figures are recorded and reviewed by the Water Operations Section of the Solano Irrigation District. Totals are reported monthly and incorporated into the water supply report.

#### **7.21.2 Drought Conditions**

During Drought stage water supply condition production figures are provided to the Water Operations Section of the Solano Irrigation District. The Water Operations Section provides the

production figures to the General Manager. The General Manager compares the monthly production to the 2023 base year data to verify reduction goals are being met. Monthly reports are generated and provided to the General Manager. The SID will notify the General Manager if water reduction goals are not met, so corrective action can be taken.

During an Emergency, conditions shortage or interruption of service, Drought stage procedure will be followed, with the addition of a weekly production report to the General Manager. During a disaster shortage the Emergency stage applies.

### **7.21.3 Emergency Water Shortage Conditions**

During Drought and Emergency stages, RNVWD Board may add supplemental water use restrictions, as appropriate, to achieve the desired level of conservation.

### **7.21.4 Metering**

The District is fully metered and therefore usage for all new and existing water connections is tracked and all customers are billed based on their volume of use.

The District maintains a database to ensure every new and existing connection is metered and billed for water use.

## **CHAPTER 8 Demand Management Measures**

During Drought and Emergency stages, the RNVWD Board may add supplemental water use restrictions, as appropriate, to achieve the desired level of conservation.

### **8.1 Education and Outreach**

The District's public information program includes the following components:

- Maintaining a dedicated water conservation webpage on the District's website to educate the public on the District's water conservation practices, policies, and procedures as well as provide tips and resources for promoting water conservation [www.RNVWD.com](http://www.RNVWD.com).
- Providing current and comparative water use information on water bills.
- Providing billing samples with easy to follow instructions.
- Providing water conservation education and information through water billing inserts or printing directly on bills.

### **8.2 Programs to Assess and Manage Distribution System Real Loss**

The District conducts validated distribution system water audits annually in order to reconcile water production figures with consumption records. After accounting for unmetered uses, the District estimates its system's losses and performs distribution system leak detection in an attempt to minimize those losses. The District's system audit program consists of the following:

- Determination of metered sales.
- Determination of other system verifiable uses.
- Determination of total supply into system wide.
- Determination of estimated loss based on the above data.

**STRATEGIC GOAL W: REVIEW APPROVED WATER RATES ANNUALLY IN CONCERT WITH THE BUDGET SETTING PROCESS.**

### 8.3 Metering

The District's entire water service area is fully metered. The water rate structure for the volumetric charge consists of three tiers.

In 2023, the District completed a multi-year water rate study and adopted and implemented updated water rates starting in September 2023.

**RURAL NORTH VACAVILLE WATER DISTRICT**  
**Table 8.3.1 WATER RATE SCHEDULE**  
**3 Year Plan**

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

**Year 1 increase is needed to balance the budget.**

Current rate will increase the fixed monthly Base Rate by \$1.10

Current 1 rate will increase fixed monthly CRC by \$33.00

Usage rate will increase 92 cents per month, the monthly usage increase will be \$9.20 for a 10 CCF usage.

Proposed 7% increase for year 2 and year 3. 7% is to cover the cost of inflation and the remaining amount is to build reserves. ([www.rnvwd.com](http://www.rnvwd.com))

### 8.4 Plans for Continued Implementation

Continued implementation of this DMM is expected to help the District achieve its water efficiency goals by providing accurate water use information to the customer and the District. The meters allow the District to track customer water use and compare current use to historical data. They also allow customers to make informed decisions in managing their water use.

### 8.5 Planned Implementation to Achieve Water Use Targets

The District plans to continue to administer its existing DMMs in order to achieve and maintain water conservation.

Specifically, the District will continue to maintain and implement the following programs:

- Maintenance and enforcement of Water Waste Prohibitions;
- Replacement of existing meters as required and installation of new meters on all District water connections;
- The use of water pricing and when warranted, penalties for excessive use, to promote conservation;
- Voluntary and mandatory water conservation measures, including irrigation restrictions and water use allocations, to promote and/or mandate conservation

- Maintenance of a system leak detection sensors and loss prevention program to identify and repair leaks in order to maintain and improve upon the current system loss amount.

## **CHAPTER 9 Operations Management Planning**

This chapter discusses succession, operations training and staff changes.

In order to maintain a smooth transition with the District's board, management and staff, the Board must be prepared to appoint alternates to temporary positions due to emergency or forewarned vacancies of those positions. The procedure for filling a vacancy in an appointive board position is found at Government Code Sections 1778 and 1779.

The Solano Irrigation District has maintained a satisfactory relationship with RNVWD for several years. SID has provided guidance, engineering, operations, maintenance and emergency repair crews for the benefit of RNVWD. SID has worked with our staff to minimize costs throughout their operations and performance especially when their staff changes effect RNVWD operation. However, SID's first priority is to their district. RNVWD must have alternate sources of emergency contractors when in need.

**STRATEGIC GOAL X: MAINTAIN COMMUNICATION AND COORDINATION WITH A MINIMUM OF 3 CLASS A CONTRACTORS TO SERVE THE DISTRICT.**

## **CHAPTER 10 Strategic Goals**

- A. Protect current water rights from external threats through oversight and collaboration on legislation.
- B. Strive for a unified work force by streamlining internal processes and improving communication.
- C. Create stronger alignment among Board of Directors, Management and Staff by aligning vision and goals.
- D. Increase knowledge of best management practices for asset management by interacting with other agencies and participating in educational venues.
- E. Continue updating established Fiscal/Funding management practices.
- F. Develop Annual Financial Plans that align Capital Improvement Projects (CIP) with the approved rate structure.
- G. Provide semi-annual forecasting of budget-to-actual financial data to the public and Board of Directors.
- H. Seek opportunities for alternate funding sources to augment revenue to build reserves including adding more water rights for sale.
- I. Encourage the Sphere of Influence expansion and annexations.
- J. Develop an annual Capital Improvement Program that is developed and prioritized based on risk, condition assessment, capital assets and aligned with approved budget.
- K. Optimize Equipment and Assets (e.g. create collective purchasing agreements and annual



- asset purchasing plans).
- L. Develop resource (staffing/budget) plan for all projects to inform on appropriate levels of outsourcing.
  - M. Ensure Sustainable Water Supply.
  - N. Evaluate new water supply options.
  - O. Update Operations and Maintenance Programs and enhance technology that focuses on Prioritized, Protective and Preventative Maintenance.
  - P. Use technology/innovation to improve staff efficiency of operations (e.g. GIS, SCADA, GPS, etc.).
  - Q. Meet or exceed regulations for clean and safe water including developing a comprehensive groundwater and contaminates plan.
  - R. Manage aquifer health through regional collaboration.
  - S. Improve water quality with such actions as determining fluoridation practices per California Division of Drinking Water.
  - T. The District will continue to monitor existing groundwater supplies.
  - U. The District intends for its WSCP to be an adaptive management plan so that it may assess response action effectiveness and adapt to foreseeable and unforeseeable events.
  - V. Ensure water conservation and use efficiency strategies through proven cost-effective measures.
  - W. Review approved water rates annually in concert with the Budget setting process.
  - X. Maintain communication and coordination with a minimum of 3 Class A contractors to serve the District.

Electronic copies will be made available for review on the District's website at [www.rnvwd.com/GeneralDocuments/WMP/SP](http://www.rnvwd.com/GeneralDocuments/WMP/SP).

## REFERENCES

- City of Dixon Urban Water Management Plan 2020: [www.cityofdixon.us/media/water](http://www.cityofdixon.us/media/water)
- City of Vacaville Urban Water Management Plan [www.ci.vacaville.ca.us/utilites/reports](http://www.ci.vacaville.ca.us/utilites/reports)
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**Rural North Vacaville Water District  
Term Sheet Dated 04/09/2024  
2024 Enterprise Revenue Refunding Bond**

Umpqua Bank (“Umpqua”) would like to express its interest in underwriting and obtaining credit approval for the following loan (the “Credit Facility”) for Rural North Vacaville Water District (the “District”) on the terms and conditions outlined below.

**Preface:** Umpqua’s expression of interest in underwriting and obtaining credit approval for the Credit Facility is for discussion purposes only and does not constitute a commitment from Umpqua. Any commitment to lend that we might make is subject to the fulfillment of a number of conditions that include, but are not limited to, our normal credit approval process, an in-depth investigation of the purpose of the purpose of the loan, the District, and collateral the results of which are deemed satisfactory to Umpqua in our sole discretion.

**Confidentiality:** Except as required by law, neither this expression of interest nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed financing. The foregoing confidentiality provisions shall not apply to the disclosure of the federal income tax structure or treatment of the proposed financing.

- |                      |   |
|----------------------|---|
| Loan Amount:         | <ul style="list-style-type: none"><li>• Not to exceed \$1,250,000</li></ul>   |
| Loan Purpose:        | <ul style="list-style-type: none"><li>• Refund the District’s loan with CoBank</li></ul>  |
| Structure / Security | <ul style="list-style-type: none"><li>• Enterprise Revenue Bond -The Credit Facility will be secured by a pledge of the District’s Net Revenues</li></ul>   |
| Term                 | <ul style="list-style-type: none"><li>• Final Maturity February 20, 2044 (20 Years)</li></ul>   |
| Deposit Requirement  | <ul style="list-style-type: none"><li>• Full banking relationship to be opened within 12 months of financing</li></ul>  |
| Rate                 | <ul style="list-style-type: none"><li>• Indicative Taxable Rate 7.40% (20-year US Treasury +2.95%) (fixed rate calculated 30/360)</li><li>• Rate lock 2 weeks prior to closing</li></ul>  |
| Fees                 | <ul style="list-style-type: none"><li>• Borrower will pay a loan fee of \$6,000 at closing.</li></ul>   |
| Payment Structure    | <ul style="list-style-type: none"><li>• Semi-annual principal and interest payments on February 20<sup>th</sup> and August 20<sup>th</sup>, beginning August 20, 2024.</li></ul>  |
| Pre-Payment Terms    | <ul style="list-style-type: none"><li>• Prepayment in full on any debt service payment date with premium of 3.0% in the first four years, 2.0% for the next three years, 1.0% for the next three years and no premium thereafter. Prepayment in part shall be allowed in any year in an amount up to 10% of the outstanding facility balance without a premium.</li></ul> |
| Financial Reporting  | <ul style="list-style-type: none"><li>• Audited annual financial statements due 270 days of fiscal year end</li><li>• Adopted annual budget due 30 days of adoption</li></ul>   |
| Cost of Issuance     | <ul style="list-style-type: none"><li>• Documents to be prepared by District’s Legal Counsel and reviewed by Umpqua Bank’s counsel Rudy Salo – Nixon Peabody, LLP. Legal fees and expenses of Nixon Peabody, LLP shall be \$6,500. All other filing fees and related fees shall be paid by the District in connection with the issuance.</li></ul>                        |

**Additional Conditions**

Periodic financial and collateral reporting by the District, as well as representations and warranties of the District regarding its status and ability to repay and related matters, and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed herein will be determined as part of Umpqua Bank's normal underwriting and approval process.

PDFs of all executed and other documents listed on the Closing Index shall be provided to the Bank no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire those documents shall be provided immediately after receipt of the wire.

**NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS TERM SHEET, BUT BEFORE CLOSING, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, BANK MAY MODIFY THE INDICATIVE PRICING DESCRIBED ABOVE.**

Sincerely,



Anastasia Efstathiou  
VP/Relationship Manager  
Government Banking

Please pursue underwriting and approval of a commitment for the described Credit Facility.

**Borrower**

**By:**

**Printed Name:**

**Title:**

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## SOURCES AND USES OF FUNDS

### Rural North Vacaville Water District 2024 Loan Agreement Payoff of CoBank Loan

**Sources:**

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Bond Proceeds:	
Par Amount	1,192,000.00
	<hr/> 1,192,000.00 <hr/>

**Uses:**

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Project Fund Deposits:	
Payoff of COBANK Loan	1,123,907.53
Delivery Date Expenses:	
Cost of Issuance	67,500.00
Other Uses of Funds:	
Additional Proceeds	592.47
	<hr/> 1,192,000.00 <hr/>

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## BOND SUMMARY STATISTICS

### Rural North Vacaville Water District 2024 Loan Agreement Payoff of CoBank Loan

Dated Date	05/22/2024
Delivery Date	05/22/2024
Last Maturity	02/20/2044
Arbitrage Yield	7.402185%
True Interest Cost (TIC)	7.402185%
Net Interest Cost (NIC)	7.400000%
All-In TIC	8.187074%
Average Coupon	7.400000%
Average Life (years)	12.387
Weighted Average Maturity (years)	12.387
Duration of Issue (years)	7.827
Par Amount	1,192,000.00
Bond Proceeds	1,192,000.00
Total Interest	1,092,674.96
Net Interest	1,092,674.96
Total Debt Service	2,284,674.96
Maximum Annual Debt Service	116,099.00
Average Annual Debt Service	115,712.29
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
-----	
Total Underwriter's Discount	
Bid Price	100.000000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Bond Component	1,192,000.00	100.000	7.400%	12.387
	1,192,000.00			12.387

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,192,000.00	1,192,000.00	1,192,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-67,500.00	
- Other Amounts			
	1,192,000.00	1,124,500.00	1,192,000.00
Target Value			
Target Date	05/22/2024	05/22/2024	05/22/2024
Yield	7.402185%	8.187074%	7.402185%

## BOND PRICING

### Rural North Vacaville Water District 2024 Loan Agreement Payoff of CoBank Loan

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	08/20/2024	10,000	7.400%	7.400%	100.000
	02/20/2025	11,000	7.400%	7.400%	100.000
	08/20/2025	15,000	7.400%	7.400%	100.000
	02/20/2026	15,000	7.400%	7.400%	100.000
	08/20/2026	15,000	7.400%	7.400%	100.000
	02/20/2027	17,000	7.400%	7.400%	100.000
	08/20/2027	17,000	7.400%	7.400%	100.000
	02/20/2028	17,000	7.400%	7.400%	100.000
	08/20/2028	18,000	7.400%	7.400%	100.000
	02/20/2029	19,000	7.400%	7.400%	100.000
	08/20/2029	20,000	7.400%	7.400%	100.000
	02/20/2030	20,000	7.400%	7.400%	100.000
	08/20/2030	22,000	7.400%	7.400%	100.000
	02/20/2031	21,000	7.400%	7.400%	100.000
	08/20/2031	22,000	7.400%	7.400%	100.000
	02/20/2032	24,000	7.400%	7.400%	100.000
	08/20/2032	24,000	7.400%	7.400%	100.000
	02/20/2033	25,000	7.400%	7.400%	100.000
	08/20/2033	26,000	7.400%	7.400%	100.000
	02/20/2034	27,000	7.400%	7.400%	100.000
	08/20/2034	28,000	7.400%	7.400%	100.000
	02/20/2035	29,000	7.400%	7.400%	100.000
	08/20/2035	30,000	7.400%	7.400%	100.000
	02/20/2036	31,000	7.400%	7.400%	100.000
	08/20/2036	32,000	7.400%	7.400%	100.000
	02/20/2037	34,000	7.400%	7.400%	100.000
	08/20/2037	35,000	7.400%	7.400%	100.000
	02/20/2038	36,000	7.400%	7.400%	100.000
	08/20/2038	38,000	7.400%	7.400%	100.000
	02/20/2039	38,000	7.400%	7.400%	100.000
	08/20/2039	40,000	7.400%	7.400%	100.000
	02/20/2040	42,000	7.400%	7.400%	100.000
	08/20/2040	44,000	7.400%	7.400%	100.000
	02/20/2041	44,000	7.400%	7.400%	100.000
	08/20/2041	48,000	7.400%	7.400%	100.000
	02/20/2042	47,000	7.400%	7.400%	100.000
	08/20/2042	51,000	7.400%	7.400%	100.000
	02/20/2043	51,000	7.400%	7.400%	100.000
	08/20/2043	54,000	7.400%	7.400%	100.000
	02/20/2044	55,000	7.400%	7.400%	100.000
		1,192,000			

Dated Date	05/22/2024	
Delivery Date	05/22/2024	
First Coupon	08/20/2024	
Par Amount	1,192,000.00	
Original Issue Discount		
Production	1,192,000.00	100.000000%
Underwriter's Discount		
Purchase Price	1,192,000.00	100.000000%
Accrued Interest		
Net Proceeds	1,192,000.00	

**BOND DEBT SERVICE**

**Rural North Vacaville Water District  
2024 Loan Agreement  
Payoff of CoBank Loan**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
02/20/2025	21,000	7.400%	65,295.96	86,295.96
02/20/2026	30,000	7.400%	86,099.00	116,099.00
02/20/2027	32,000	7.400%	83,879.00	115,879.00
02/20/2028	34,000	7.400%	81,437.00	115,437.00
02/20/2029	37,000	7.400%	78,884.00	115,884.00
02/20/2030	40,000	7.400%	76,072.00	116,072.00
02/20/2031	43,000	7.400%	73,038.00	116,038.00
02/20/2032	46,000	7.400%	69,856.00	115,856.00
02/20/2033	49,000	7.400%	66,378.00	115,378.00
02/20/2034	53,000	7.400%	62,678.00	115,678.00
02/20/2035	57,000	7.400%	58,682.00	115,682.00
02/20/2036	61,000	7.400%	54,390.00	115,390.00
02/20/2037	66,000	7.400%	49,802.00	115,802.00
02/20/2038	71,000	7.400%	44,807.00	115,807.00
02/20/2039	76,000	7.400%	39,442.00	115,442.00
02/20/2040	82,000	7.400%	33,744.00	115,744.00
02/20/2041	88,000	7.400%	27,528.00	115,528.00
02/20/2042	95,000	7.400%	20,868.00	115,868.00
02/20/2043	102,000	7.400%	13,727.00	115,727.00
02/20/2044	109,000	7.400%	6,068.00	115,068.00
	1,192,000		1,092,674.96	2,284,674.96



**BOND DEBT SERVICE**

**Rural North Vacaville Water District  
2024 Loan Agreement  
Payoff of CoBank Loan**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
08/20/2024	10,000	7.400%	21,561.96	31,561.96	
02/20/2025	11,000	7.400%	43,734.00	54,734.00	86,295.96
08/20/2025	15,000	7.400%	43,327.00	58,327.00	
02/20/2026	15,000	7.400%	42,772.00	57,772.00	116,099.00
08/20/2026	15,000	7.400%	42,217.00	57,217.00	
02/20/2027	17,000	7.400%	41,662.00	58,662.00	115,879.00
08/20/2027	17,000	7.400%	41,033.00	58,033.00	
02/20/2028	17,000	7.400%	40,404.00	57,404.00	115,437.00
08/20/2028	18,000	7.400%	39,775.00	57,775.00	
02/20/2029	19,000	7.400%	39,109.00	58,109.00	115,884.00
08/20/2029	20,000	7.400%	38,406.00	58,406.00	
02/20/2030	20,000	7.400%	37,666.00	57,666.00	116,072.00
08/20/2030	22,000	7.400%	36,926.00	58,926.00	
02/20/2031	21,000	7.400%	36,112.00	57,112.00	116,038.00
08/20/2031	22,000	7.400%	35,335.00	57,335.00	
02/20/2032	24,000	7.400%	34,521.00	58,521.00	115,856.00
08/20/2032	24,000	7.400%	33,633.00	57,633.00	
02/20/2033	25,000	7.400%	32,745.00	57,745.00	115,378.00
08/20/2033	26,000	7.400%	31,820.00	57,820.00	
02/20/2034	27,000	7.400%	30,858.00	57,858.00	115,678.00
08/20/2034	28,000	7.400%	29,859.00	57,859.00	
02/20/2035	29,000	7.400%	28,823.00	57,823.00	115,682.00
08/20/2035	30,000	7.400%	27,750.00	57,750.00	
02/20/2036	31,000	7.400%	26,640.00	57,640.00	115,390.00
08/20/2036	32,000	7.400%	25,493.00	57,493.00	
02/20/2037	34,000	7.400%	24,309.00	58,309.00	115,802.00
08/20/2037	35,000	7.400%	23,051.00	58,051.00	
02/20/2038	36,000	7.400%	21,756.00	57,756.00	115,807.00
08/20/2038	38,000	7.400%	20,424.00	58,424.00	
02/20/2039	38,000	7.400%	19,018.00	57,018.00	115,442.00
08/20/2039	40,000	7.400%	17,612.00	57,612.00	
02/20/2040	42,000	7.400%	16,132.00	58,132.00	115,744.00
08/20/2040	44,000	7.400%	14,578.00	58,578.00	
02/20/2041	44,000	7.400%	12,950.00	56,950.00	115,528.00
08/20/2041	48,000	7.400%	11,322.00	59,322.00	
02/20/2042	47,000	7.400%	9,546.00	56,546.00	115,868.00
08/20/2042	51,000	7.400%	7,807.00	58,807.00	
02/20/2043	51,000	7.400%	5,920.00	56,920.00	115,727.00
08/20/2043	54,000	7.400%	4,033.00	58,033.00	
02/20/2044	55,000	7.400%	2,035.00	57,035.00	115,068.00
	1,192,000		1,092,674.96	2,284,674.96	2,284,674.96

### COST OF ISSUANCE

**Rural North Vacaville Water District  
2024 Loan Agreement  
Payoff of CoBank Loan**

<i>Cost of Issuance</i>	<i>\$/1000</i>	<i>Amount</i>
Bond Counsel	16.77852	20,000.00
Placement Agent Fee	16.77852	20,000.00
Bank Counsel	5.45302	6,500.00
Bank Loan Fee	5.03356	6,000.00
Miscellaneous	12.58389	15,000.00
	56.62752	67,500.00

**Rural North Vacaville Water District  
 2024 Loan Agreement  
 Preliminary Numerical Analysis  
 April 2, 2024**



<b>2024 Loan Agreement</b>	
Payoff of CoBank Loan (1)	1,123,908
Costs of Issuance (2)	68,092
<b>Par Amount</b>	<b>1,192,000</b>
Interest Rate (3)	7.40%
All-In True Interest Cost (3)	8.19%
Final Maturity	2/20/2044
<b>Average Fiscal Year Debt Service</b>	<b>115,704</b>
<b>Total Debt Service</b>	<b>2,284,675</b>

*(1) Preliminary analysis assumes a closing date of and payoff date of May 22, 2024.*  
*(2) Includes bond counsel, placement agent, bank counsel, bank loan fee, and miscellaneous.*  
*(3) Interest rate is preliminary and subject to change. Rate will lock two weeks prior to closing.*



870 Market Street, Suite 1223  
San Francisco, CA 94102  
Toll free: 800.434.8349

[www.nbsgov.com](http://www.nbsgov.com)

April 2, 2024

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Dale Motiska  
General Manager  
Rural North Vacaville Water District  
P. O. Box 5097  
Vacaville CA 95696

**RE: Proposal for Water Rate and Capacity Fee Study**

Dear Mr. Motiska:

Thank you for the opportunity to provide a proposal for the District's Water Rate and Capacity Fee Study. Our proposal is structured to perform a comprehensive review of the current rates and capacity fee structure, develop final recommendations, and clearly communicate the results to the District's customers. The study report will also provide the administrative record necessary to comply with Proposition 218. Some of the key benefits of our proposal include:

- **Ensuring Revenue Sufficiency and Stability:** NBS will review all revenue sources and develop a financial plan that will fully fund the District's operating, maintenance, and capital improvements costs, as well as meet other financial obligations, such as debt service requirements and adequate reserve levels. This will include a cost-of-service analysis and a review of the current rate structure to ensure revenue stability.
- **Defensibility and Meeting Legal Requirements:** NBS will provide the expertise required to navigate the requirements under Proposition 218, AB 755 and other best methods to ensure new water rates and capacity fees are defensible and in line with industry standards. Our ultimate goal is to ensure that the study recommendations are legally defensible, comply with industry standards, founded on reasonable assumptions, and designed to meet the broader objectives of the District and its ratepayers.
- **Support with the New Rate Adoption Process:** NBS will assist District staff in communicating the outcomes and recommendations of the study in presentations to the public and with the Board of Directors.

Please feel free to reach out to me at any time with questions about our proposal or to move forward with a professional services agreement. I can be reached at 800.434.8349 or via [jtamargo@nbsgov.com](mailto:jtamargo@nbsgov.com). We would genuinely like to work on this project and help the District move forward successfully.

Sincerely,

Jeremy Tamargo  
Associate Director

Sara Mares  
Director

## SCOPE OF SERVICES

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The following describes the proposed Work Plan for completion of this Scope of Services:

### **Water Rate and Capacity Fee Study**

NBS will work cooperatively with District staff, management and the Board of Directors to develop a financial plan and rate recommendations that are well suited to the District's needs, are practical and implementable, and can be confidently defended from both a technical and legal perspective.

The scope of services NBS offers for completing the study is presented in this section. We will also be prepared to make adjustments during the course of the study to reflect the direction of District staff and stakeholders as the study progresses. NBS will provide the leadership necessary to guide you through the various options, key concerns, and explaining the issues involved. These tasks serve as the basis for the proposed budget for this study.

#### **TASK 1. KICKOFF MEETING AND DATA COLLECTION**

NBS will hold a kick-off meeting with District staff at the beginning of the study. The kick-off meeting will be used to review and discuss the data from the billing/accounting system and data requirements in general and review study objectives, tasks, and schedule. A preliminary plan for public presentations will be discussed with the District during this meeting. The data the District will need to provide includes customer account information, such as:

- Customer billing information that includes: meter sizes, customer class and monthly water consumption for each customer (Excel file preferred).
- Financial data typically reported in financial statements.
- Capital Improvement and/or Master Plans (CIP projects by name, cost, and timing).

#### **TASK 2. FINANCIAL PLAN**

NBS will prepare a detailed financial plan for the water utility that includes revenue, expenditures, reserves, debt coverage ratios, capital improvement costs, repair and replacement costs and net revenue requirements. Task deliverables will include:

- Financial projection model that will serve as a financial "roadmap" for the water utility.
- Summary of current and projected net revenue requirements.
- Update reserve fund policies and targets potentially including reserves for operations, rate stabilization, repair and replacement, debt service and capital projects.
- Projected year-end reserve fund levels.
- Calculated debt service coverage ratios.
- Three alternatives (i.e., annual rate increases) that meet projected net revenue requirements.
- Funding sources (cash vs. debt) for capital improvements.

This financial plan will lay the groundwork for the cost-of-service and rate design analyses addressed in Tasks 3 and 4. The following are subtasks to the Financial Plan:

**Projected Revenues and Expenditures** – Using a cash-basis reflecting the District’s system of accounts, NBS will prepare a projection of revenues, expenses, and increases in rate revenue needed to meet all obligations. This will provide the District with a financial planning tool to plan for rate adjustments to address operating and maintenance costs, infrastructure improvements, asset replacement and maintaining appropriate reserve fund levels. The District’s projected customer growth rates from master plan documents and planned cost inflation factors will be incorporated in this analysis.

**Evaluate Reserve Fund Sufficiency** – NBS will evaluate the sufficiency of existing reserve funds, target reserves, reserve fund policies, and related issues such as meeting debt service coverage ratios and other rate covenants. We will provide recommendations for reserve fund targets that are tailored to the District’s specific needs such as operating, capital rehabilitation/replacement, rate stabilization and catastrophes, etc. We will develop a phased-in approach to funding reserves to minimize the impact on ratepayers.

**Review Capital Improvement Program Funding** – NBS will incorporate District plans for new facilities, infrastructure improvements, and asset replacement plans into the financial plan. We will evaluate the timing, costs, and available reserves used to fund various projects. We will work with District staff to develop a well-conceived approach to funding these capital needs, which may include an appropriate balance between debt-funded and cash-funded projects. The recommended solution will provide an appropriate balance between funding from rates, system development fees and, if necessary, the use of outside financing. Up to three levels of capital improvement program funding will be developed in the study for comparison purposes.

### **TASK 3. COST OF SERVICE ANALYSIS**

Using the net revenue requirements developed in Task 2, NBS will equitably allocate costs to individual customer classes based on cost-of-service principles that comply with Prop 218. NBS will review and incorporate the historical consumption characteristics by customer class, including changes related to Covid-19 impacts, and determine how to best project future water consumption.

NBS will evaluate cost allocations of various cost components to each customer class. The main components of the water cost-of-service analysis are as follows:

**Evaluate Trends in Water Consumption** – NBS has seen changes in consumption patterns related to Covid-19 restrictions. These impacts should be considered when projecting water sales going forward. Although consumption patterns will have the greatest impact on proposed volumetric charges, total water sales and consumption considered in wastewater volumetric charges will also impact the financial plan projections of rate revenue. We will review these changes and, more importantly, how consumption should be projected going forward as proposed water rates are developed.

**Analysis of Consumption Patterns** – NBS will evaluate the *number* of customers at various levels of consumption and the *total water use* by customer class. The District’s most recent water consumption data will be used for this analysis. This type of data analysis ensures an accurate projection of the revenue that will be collected within each customer class and ensures that revenue is recovered accurately from each customer class.

**Functionalization/Classification of Expenses** – This task arranges water expenses into basic categories, such as commodity (*source of supply*), capacity (*treatment, transmission, and distribution*), and customer (*administrative and overhead*) costs.

**Allocation of Costs to Customer Classes** – These costs are then allocated to individual customer classes based on allocation factors specific to each cost classification. For example, commodity/variable costs are allocated based on percentages of total annual consumption; capacity-related costs are allocated based on the percentage of peak demand; and customer-related costs are allocated based on the number of accounts. This process produces the fixed and variable revenue requirements for each customer class, which is the basis for the actual rate calculations.

#### **TASK 4. RATE DESIGN ANALYSIS**

NBS will work with District staff to review the current rate structure and evaluate whether there are alternatives that better meet the District’s broader rate design goals and objectives. NBS will provide up to three water rate structure alternatives for the District’s consideration, which will include the District’s existing rate structures and two alternatives. An evaluation of the pros and cons of each rate structure alternative will be included in this analysis. The following are subtasks to the Rate Design Analysis:

**Develop Rate Design Recommendations** – Water rates will be developed based on the cost-of-service analyses, and we will include a discussion of the relative pros and cons of the current rate structure and the new alternatives. Evaluating the District’s desired rate complexity and resulting customer bills will be essential components of this process.

**Criteria for Improving the Rate Design** – When evaluating rate design, revenue sufficiency and financial resiliency are critical considerations. NBS’ general approach is to avoid significant **under-collection** of rate revenue, which is the worst-case scenario from a financial perspective. Other criteria for evaluating rate structures include:

- Ease of understanding the rate structure by customers.
- How costs allocated to fixed and volumetric rates affect revenue stability.
- How water conservation is reflected in the analysis.
- How summer peaking patterns are reflected in water rate design.
- How meter sizes are used in calculating fixed charges.
- The amount of revenue that should be collected within each tier.
- Impacts on customer monthly bills.
- How treatment plant costs are allocated to customers.
- Differences, if any, in collection system and general overhead and administrative costs and how they are allocated to various customers.
- Changes due to drought, conservation efforts, and Covid-19 over the last several years that may affect rates on a going-forward basis.
- The amount of revenue collected from fixed and variable charges (which can significantly impact customer bills).

The rate structure alternatives selected will ultimately provide the basis for comparing monthly customer bills under both the current and new rate structures. However, all rate structures will be “revenue neutral” because they will all collect the same amount of revenue, both in total and within each customer class.

**Calculate Fixed and Volumetric Charges** – Ideally, fixed charges should be used to cover fixed costs; however, due to the emphasis on using pricing signals to encourage conservation, this is rarely the case. As a result, many agencies have struggled with revenue stability during times of uncertain demands. Fixed charges will reflect the number of accounts, equivalent meters, and size of meters. In contrast, volumetric rates should cover variable costs and should be allocated in proportion to consumption. Determining the best combination of fixed and variable charges is also influenced by other factors, such as revenue stability, conservation, ease of understanding, and ease of administration. NBS will strive for an appropriate balance between fixed and variable charges.

#### **TASK 5. REGIONAL BILL COMPARISON**

NBS will compare current and proposed water rates with up to ten neighboring communities to see how the District’s rates compare to other nearby water Agencies. The results of this comparison will be presented in the rate study report and in public presentations. The comparisons will provide District staff and Board of Directors with a basis to compare the cost of delivering water service to customers in the region.

#### **TASK 6. PREPARE ELECTRONIC RATE MODEL**

NBS will develop the Excel-based rate model for use by District staff (users not limited) once the study is complete. The model will be custom-built to the District’s specific needs and will have the functionality to update revenue and expenses, prepare what-if scenarios, and determine annually if the proposed rate increase is needed, or if it can be modified or delayed. The model will have a dashboard where assumptions can be modified and will flow through to the rate alternative results, and a documentation tab that explains each tab and the interrelationships of each tab.

In addition, the model will include adjustable inflation factors and other variables and will graphically display charts and figures to communicate outcomes and recommendations. We will review the model with staff during the development of the rate study to make sure it meets the District’s requirements and preferences.

A training session can be provided with the District’s Project Manager at the conclusion of the study. The goal of this session will be to review all tabs in the model and to provide sufficient information for the District to accept the model and have the ability to use it going forward.

#### **TASK 7. CAPACITY FEE ANALYSIS**

The District’s Capacity Fees will be updated in this task of the study. The goal of this analysis is to develop fees that appropriately recover the cost of infrastructure necessary to serve new development and are consistent with applicable industry standards.

**Overview of Capacity Fee Calculations:** In their simplest form, capacity fees are the result of dividing the cost (or value) of the system’s current capacity plus planned capital improvements by the expected



number of new customers. The two most common approaches are often referred to as (1) a “buy-in” approach, whereby new users pay for their fair share of existing system assets that were originally paid for by current customers, and (2) an “incremental” or “marginal” approach that assumes capacity fees should fully cover the costs of all new (or “incremental”) system facilities required to provide them sufficient capacity in the system. Depending on the remaining system capacity, a combination of these two approaches is often used. NBS will develop an appropriate methodology that complies with industry standards and will appropriately reflect the cost of planned capital improvements and projected growth. The following are subtasks of the Capacity fee Analysis:

**Develop Asset Values** – The actual methodology of estimating the value of existing system assets (such as collection, pumping and treatment) is important to the outcome. For example, using *current book values* typically underestimates the “true value” of facilities. Our experience shows a *replacement-cost-less depreciation* approach usually provides a better estimate of the true value of assets. We will use the *replacement-cost-less depreciation* approach to estimate the value of the District’s assets and propose using the Handy-Whitman Index of Public Utility Construction Costs. This guide is a region-specific index that tracks costs for water utility construction. We believe this is the most accurate inflation index available to water utilities. We recommend the District use this index or a similar index such as the Engineering News Record Construction Cost Inflation Index to project inflation for capacity fees in future years.

Once the values of the existing and planned (that is, incremental or marginal) system assets are estimated, these values are allocated to existing and new customers. NBS will assess the equity of how these values are allocated to existing and new customers, and then divide the amount allocated to new customers by the system capacity, typically measured in equivalent meters (EMs), which are the most typical residential meter in the District’s water system. This calculation determines the maximum cost the District can charge for a new connection.

**Calculate and Recommend New Capacity fees** – The total costs allocated to growth (or value of the system assets available to serve new customers) are divided by the available capacity in EMs, as determined by the system capacity available to serve new customers.

NBS will consider two methods of estimating the capacity available to future customers: (1) calculate all available remaining capacity, and (2) calculate expected number of EMs that would be added to the system. This second approach could be less than the available remaining capacity. For example, if there are 5,000 EMs of remaining capacity in the system, but realistic growth is only 3,000 EMs, then the smaller number would be used to calculate the capacity charge. Based on this analysis, NBS will review the new capacity fees with District staff and recommend the alternative that best meets its needs.

## **TASK 8. PREPARE RATE STUDY REPORT**

NBS will prepare a draft study report that include proposed rates for the next five to ten years, depending on the District’s preference for the timeframe. An executive summary and introduction will present the purpose of the report and results of the study. Tables, graphs, and charts will be used as appropriate, but the emphasis will be on providing a clear, concise and understandable report that will provide the District with a thorough administrative record. Key assumptions, methodologies, and factors affecting the development of proposed rates will be highlighted with charts and graphs when helpful. However, more

technical aspects of the study, particularly the tables documenting the calculations and sources of data, will be separately provided in technical appendices.

NBS will provide an electronic file in Microsoft Word format of the draft report for the District's review and comment. Once we have received the District's comments<sup>1</sup>, we will incorporate those comments into a final report.

## **TASK 9. MEETINGS AND PRESENTATIONS**

NBS plans to provide support to the District in public meetings to support the new rate adoption process. We will also plan to meet with District staff to review study results and recommendations throughout the project. The following meetings and presentations are anticipated for this study:

**Meetings with District Staff** – NBS proposes to hold progress meetings with District staff via conference call or web meeting format. These meetings will be used to review initial work products and gain input from Staff on the direction of the study. Prior to the public meetings, we also expect to have regular phone conversations with District staff to discuss how the study is proceeding, solicit input from Staff, and to review and discuss the study's initial results and work products. In addition, NBS will work with District Staff to discuss and understand talking points while continuously providing guidance on how to manage questions for community members to ensure a clear and transparent message.

**Other Public Workshops/Presentations** – NBS rate study staff will provide up to two (2) public workshops<sup>2</sup> including with a District Committee and Board of Directors. The rate team will prepare a PowerPoint presentation for these meetings, which will include visual aids, graphics, charts and additional worksheets or handouts. In these presentations, NBS will present study results, recommendations, receive input and guidance on the direction of the study and answer questions. Our team will work with District Staff to create an agenda and develop presentations that allow for clear and insightful presentations.

## **TASK 10. NOTICE OF PUBLIC HEARING MAILING**

NBS will create a mailing list using the most recent County Assessor secured roll data available, combining that with the District's customer database. Duplicates will be removed to create a comprehensive mailing list. NBS will also draft the Notice to property owners subject to the proposed Fee. Final form of the Notice will be reviewed and approved by legal counsel and District staff.

NBS will work with District staff to answer any questions that come up and guide you through the adoption process. The key technical tasks will be to prepare a draft and final Prop 218 Notice and provide the proposed rate tables included in the notices. NBS will work with District staff to review the draft and final notice prior to public release. The District should have legal counsel review all notices for legal compliance with the provisions of Prop 218, such as wording related to pass-throughs.

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<sup>1</sup> We assume District staff's comments will be in an electronic Microsoft Word file using track-changes mode.

<sup>2</sup> The number of meetings/presentations that NBS provides can be adjusted as necessary by District staff. We plan to discuss the number of meetings and plans for presentation at the kick-off meeting and adjust throughout the process as needed.

## OPTIONAL SERVICES

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The District may wish to include the following optional services that could enhance the project's results.

### **Optional Engagement Services**

#### **COMMUNICATION TOOLKIT**

NBS will develop a comprehensive toolkit including content releases for newsletters, social media and website posts throughout the project, talking points, timelines for posting on the District's website, and guidelines for various communication activities. This toolkit will aid staff and elected officials in communicating a cohesive message to the community and stakeholders.

#### **RATE CALCULATOR**

NBS will create a rate calculator for ratepayers to view the updated rates. This calculator can be hosted on the District's website or CivicMic.com.

#### **218 NOTICE SUPPLEMENT**

NBS will also develop and design a detailed fact sheet to be mailed to community members. The fact sheet will include historical information that will help educate the community on the current project needs. The fact sheet will be translated into up to two languages based on community census data.

## PROFESSIONAL FEES

Our professional fees are based on our understanding of District’s needs and the effort we believe is necessary to complete the scope of services described in our proposal. Work will be performed on a time and materials basis, at the hourly labor rates show in the budget table below, with a fee of \$37,935.

PROJECT BUDGET: RURAL NORTH VACAVILLE WATER DISTRICT						
Study Tasks	Consultant Labor (Hours)				Grand Totals	
	Senior Reviewer <sup>1</sup> (Highstreet)	Associate Director (Tamargo)	Sr. Project Analyst (Hoenig)	Project Resource Analyst (Henry)	Consultant Labor (Hrs.)	Consultant Costs (\$)
Hourly Rate	\$250	\$225	\$165	\$130		
<b>Water Rate Study</b>						
Task 1 – Kick-off Meeting & Data Collection	1.0	1.0	12.0	-	14.0	\$ 2,455
Task 2 – Financial Plan						
2.1 – Projected Revenues and Expenditures	1.0	1.0	6.0	-	8.0	1,465
2.2 – Evaluate Reserve Fund Sufficiency	1.0	1.0	4.0	-	6.0	1,135
2.3 – Review Capital Improvement Program Funding	1.0	2.0	6.0	-	9.0	1,690
Task 3 – Cost-of-Service Analysis (COSA)	1.0	4.0	16.0	-	21.0	3,790
Task 4 – Rate Design Analysis						
4.1 – Develop Rate Design Recommendations	1.0	1.0	-	-	2.0	475
4.2 – Criteria for Improving the Rate Design	1.0	1.0	-	-	2.0	475
4.3 – Calculate Fixed & Volumetric Charges	-	2.0	8.0	-	10.0	1,770
4.4 – Comparison of Customer Bills	1.0	2.0	6.0	-	9.0	3,300
Task 5 – Regional Bill Comparison	1.0	1.0	6.0	-	8.0	1,465
Task 6 – Prepare Electronic Rate Model	-	1.0	8.0	-	9.0	1,545
Task 7 – Capacity Fee Analysis	2.0	4.0	20.0	-	26.0	4,700
Task 8 – Prepare Rate Study Report	2.0	8.0	2.0	4.0	16.0	3,150
Task 9 – Meetings and Presentations						
9.1 – Meetings with Agency Staff	2.0	6.0	6.0	-	14.0	2,840
9.2 – Public Workshops/Presentations (2 meetings)	1.0	8.0	6.0	-	15.0	3,040
Task 10 – Notice of Public Hearing Mailing <sup>2</sup>	1.0	6.0	-	8.0	15.0	2,640
Travel Costs for (2) In-Person Meetings (not to exceed) <sup>3</sup>						2,000
<b>GRAND TOTAL</b>	<b>17.0</b>	<b>49.0</b>	<b>106.0</b>	<b>12.0</b>	<b>184.0</b>	<b>\$ 37,935</b>
<b>Additional Optional In Person Visits</b>						
Additional Costs for Optional Site Visits and Presentations						
Labor Cost Per Visit/Presentation (NBS PM)						\$ 2,000
Travel Expenses per Meeting (not to exceed)						1,000
<b>Total: Per Optional Visit/Presentation</b>						<b>\$ 3,000</b>
<b>Public Engagement Optional Services</b>						
Communication Toolkit						\$ 5,500
Rate Calculator						4,000
218 Notice Supplement						3,000
<b>Grand Total Public Engagement Optional Services</b>						<b>\$ 12,500</b>

1. If time is required for municipal advisor services (Sara Mares), senior review hours would be utilized.
2. Mailing expenses excluded. NBS passes through mailing expense at cost without markup. Cost will depend on design choices and length of notice.
3. Travel-related cost and direct reimbursable expenses; all other expenses are included in labor rates. This will be zero if all meetings are attended virtually.

**Additional services requested**, such as additional public meetings or additional rate or fee alternatives, can be provided based on the hourly labor rates included in the table above. All tasks would be mutually agreed upon by NBS and the District prior to proceeding.

## TERMS

Services will be invoiced monthly. If engaged, optional Public Engagement services will be invoiced monthly. Expenses will be itemized and included in the next regular invoice. If the project is prematurely terminated by either party, NBS shall receive payment for work completed. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days, simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel consulting contract with 30 days' written notice.

gc

Rich Sellers  
7231 Steiger Hill Road  
Vacaville, California 95688

March 27, 2024

Dale Motiska  
General Manager  
Rural North Vacaville Water District  
P.O. Box 5097  
Vacaville, California 95688

Dear Mr. Motiska,

Per our discussion, I would like to return my Supplemental Water Service Connection right to RNVWD with the intention of not making any more payments on the note associated with that right.

Additionally, I am including a Water Right Transfer Statement for the purchase of a third-party water right.

Sincerely,



Rich Sellers

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# RURAL NORTH VACAVILLE WATER DISTRICT

P.O. Box 5097, Vacaville, CA 95696

Phone: 707-447-8420

GM@RNVWD.com

## WATER RIGHT TRANSFER AGREEMENT – Exhibit B

This Agreement ("Agreement") is entered into by and between the Rural North Vacaville Water District, a California Community Services District ("District") and RICH SELLERS ("Seller") and RNVWD ("Buyer"). The District, Seller, and Buyer are sometimes individually referred to as "Party" and collectively referred to as "Parties."

WHEREAS, the District has constructed a water system to provide potable water services to owners of parcels within the District; and

WHEREAS, the owner of each parcel within the District receives one (1) regular water service connection for the owner's parcel; and

WHEREAS, the owner of each parcel within the District may acquire one (1) or more supplemental water service connections for the owner's parcel; and

WHEREAS, the District's rules and regulations provide for the sale and transfer of regular and supplemental water service connections subject to District review and approval; and

WHEREAS, Seller is the current owner of the property designated **APN#** 0105-160-150 with an address of 7231 STEIGER HILL RD. ("Seller's Parcel"), which is located within the District and which has a regular water service connection and has 1 (enter number) supplemental water service connections; and

WHEREAS, Buyer is the RURAL NORTH VACAVILLE WATER DISTRICT.

WHEREAS, Seller wishes to relinquish all rights to receive domestic potable water service from the District's water system by means of the Seller's ~~regular~~ **supplemental** water right ("Subject Connection") and to transfer and sell to Buyer such rights to domestic potable water service by means of the Subject Connection, together with the responsibility to pay all associated assessments and fees for such domestic potable water service, and

WHEREAS, with respect to the Subject Connection, Seller is current in payment of any monthly operating fees and charges now due \$ 0, with no outstanding delinquencies. Delinquent amounts, if any, shall be paid current from sale proceeds as a condition precedent for the sale to be completed, and

WHEREAS, the District has reviewed the proposed transfer and sale and has determined that the water system has adequate capacity to serve Buyer's Parcel.

NOW, THEREFORE, the Parties agree as follows:

### Agreement

1. Buyer agrees to acquire and purchase from Seller the Subject Connection for use on Buyer's Parcel, and Seller agrees to transfer and sell to Buyer the Subject Connection assigned to Seller's Parcel, subject only to the terms and conditions of this Agreement.
2. Buyer agrees that the Subject Connection being acquired from Seller may not be further assigned, transferred, sold, exchanged, or traded without prior review of and written approval from the District in accordance with the District's rules and regulation.
3. Buyer agrees to pay Seller \$ 0 (**Purchase Price**) as consideration for the transfer of the Subject Connection. Upon execution of this Agreement by all parties, Buyer agrees that this purchase price will be paid promptly. The Purchase Price is due and payable by N/A (**month, date, year**) the Agreement Expiration Date and transfer of the Subject Connection to Buyer's Parcel will be made upon payment in full. If Buyer cannot complete purchase by the Expiration Date, Seller retains ownership of the Subject Connection and this agreement is hereby null and void and neither party has any continuing obligation to the other. Seller is responsible for payment of delinquent amounts owed to the District and for meter disconnection and De-Annexation charges, if applicable. Seller shall incur no expense in connection with the transfer of the Subject Connection, unless specifically noted in this Agreement. All expenses, including, but not limited to, transaction fees shall be the sole obligation of Buyer. Buyer shall pay administrative fees for this transaction to Rural North Vacaville Water District (See Fee Schedule Exhibit E)



6. Buyer agrees to bear all costs of improvements necessary to transfer the Subject Connection from Seller's Parcel to Buyer's Parcel including the work necessary to connect the District main water line to Buyer's property. Buyer acknowledges that these costs will include a minimum \$5,000 deposit, the amount depending on length of service line and scope of work necessary. The work must be performed under a separate agreement with the District New Connection Deposit Agreement. Solano Irrigation District (SID) will perform the work for the District on time and material basis for the work plus overhead and District administrative fees.
7. If Buyer's Parcel is not currently within the District, Buyer agrees to annex Buyer's Parcel to the District. If the Subject Connection is a regular water service connection, Seller agrees to De-Annexation of the Seller's Parcel from the District (if required by LAFCO). Buyer agrees to pay all costs associated with the Annexation of Buyer's Parcel if applicable, and Seller agrees to pay all costs associated with the De-Annexation of Seller's Parcel, if applicable. For purposes of this section, the costs associated with the Annexation and De-Annexation include, but are not limited to, all fees and costs imposed by the District and Solano County LAFCO. Seller and Buyer acknowledge and agree that the transfer of the Subject Connection contemplated by this Agreement shall not become operative unless and until LAFCO's proceedings for the Annexation, if any, of Buyer's Parcel to the District and the De-Annexation, if any, of Seller's Parcel from the District are completed.
8. The District agrees to **Amend the Boundaries** of the Rural North Vacaville Water District Assessment District No.1, and, if applicable, zones within that assessment district, as necessary to conform to the transfer of the Subject Connection from Seller's Parcel to Buyer's Parcel, and Seller and Buyer agree to cooperate fully with the boundary change process. Seller shall pay 0% and Buyer shall pay 100% of any fees associated with that amendment if applicable.
9. Seller and Buyer agree to defend, indemnify, and hold harmless the District, and its officials, officers, employees, and agents from and against all claims, damages, judgments, costs, expenses, and fees arising in any manner from or related in any manner to any act or omission of Seller or Buyer, respectively, in performing their obligations under this Agreement.
10. Each Party acknowledges that this Agreement sets forth all covenants, promises, conditions, and understandings between the Parties regarding the transfer of the Subject Connection from Seller's Parcel to Buyer's Parcel and the compensation, if any, for that transfer, and there are no covenants, promises, conditions, or understandings, either oral or in writing, between the Parties other than as set forth herein. No subsequent alteration, amendment, change or addition to this

Agreement shall be binding upon the Parties unless reduced to writing and signed by all of them.

12. This Agreement may not be terminated unless such termination is agreed to in writing by all of the Parties to the Agreement.

13. This Agreement shall be effective as of the latest date any of the Parties executes the Agreement, as shown below.

In witness whereof, the Parties have executed this Agreement:

**SELLER:**

Name: RICH SELLERS  
Street Address: 7231 STEIGER HILL RD.  
City/State/ Zip: VACAVILLE, CA 95688  
Email Address: RICHSELLERS1@GMAIL.COM  
Telephone Number: 509-377-1336  
Signature: [Handwritten Signature] Date: 3.29.24

**BUYER:**

Name: RURAL NORTH VACAVILLE WATER DISTRICT  
Street Address: P.O. BOX 5097  
City/State/Zip: VACAVILLE, CA 95696  
Email Address: DALE@RNVD.COM  
Telephone Number: 707-564-0750  
By: [Handwritten Signature] Date: 3/29/24  
Signature:

**DISTRICT:**

Rural North Vacaville Water District  
P.O. Box 5097  
Vacaville, CA 95696  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
President  
Board of Directors



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## RURAL NORTH VACAVILLE WATER DISTRICT

P.O. Box 5097, Vacaville, CA 95696  
Phone: 707-447-8420

GM@RNVD.com

### WATER RIGHT TRANSFER AGREEMENT – Exhibit B

This Agreement ("Agreement") is entered into by and between the Rural North Vacaville Water District, a California Community Services District ("District") and Joseph Abrew ("Seller") and Rich Sellers ("Buyer"). The District, Seller, and Buyer are sometimes individually referred to as "Party" and collectively referred to as "Parties."

WHEREAS, the District has constructed a water system to provide potable water services to owners of parcels within the District; and

WHEREAS, the owner of each parcel within the District receives one (1) regular water service connection for the owner's parcel; and

WHEREAS, the owner of each parcel within the District may acquire one (1) or more supplemental water service connections for the owner's parcel; and

WHEREAS, the District's rules and regulations provide for the sale and transfer of regular and supplemental water service connections subject to District review and approval; and

WHEREAS, Seller is the current owner of the property designated APN# 0102-090-140 with an address of Brehme Ln. ("Seller's Parcel"), which is located within the District and which has a regular water service connection and has 3 (enter number) supplemental water service connections; and

WHEREAS, Buyer is the current owner of the property designated APN# 0105-160-150 with an address of 7231 Steger Hill Rd. ("Buyer's Parcel"), which ~~is~~ **is not** currently located within the District subject to LAFCO annexation, and which ~~has~~ **does not have** 1 (enter number) regular water service connection right and has 0 (enter number) supplemental water service connections right; and

WHEREAS, Seller wishes to relinquish all rights to receive domestic potable water service from the District's water system by means of the Seller's **regular/supplemental** water right ("Subject Connection") and to transfer and sell to Buyer such rights to domestic potable water service by means of the Subject Connection, together with the responsibility to pay all associated assessments and fees for such domestic potable water service, and

WHEREAS, with respect to the Subject Connection, Seller is current in payment of any monthly operating fees and charges now due \$\_\_\_\_\_, with no outstanding delinquencies. Delinquent amounts, if any, shall be paid current from sale proceeds as a condition precedent for the sale to be completed, and

WHEREAS, the District has reviewed the proposed transfer and sale and has determined that the water system has adequate capacity to serve Buyer's Parcel.

NOW, THEREFORE, the Parties agree as follows:

### Agreement

1. Buyer agrees to acquire and purchase from Seller the Subject Connection for use on Buyer's Parcel, and Seller agrees to transfer and sell to Buyer the Subject Connection assigned to Seller's Parcel, subject only to the terms and conditions of this Agreement.
2. Buyer agrees that the Subject Connection being acquired from Seller may not be further assigned, transferred, sold, exchanged, or traded without prior review of and written approval from the District in accordance with the District's rules and regulation.
3. Buyer agrees to pay Seller \$ 18,000.00 (**Purchase Price**) as consideration for the transfer of the Subject Connection. Upon execution of this Agreement by all parties, Buyer agrees that this purchase price will be paid promptly. The Purchase Price is due and payable by 04.15.2024 (**month, date, year**) the Agreement Expiration Date and transfer of the Subject Connection to Buyer's Parcel will be made upon payment in full. If Buyer cannot complete purchase by the Expiration Date, Seller retains ownership of the Subject Connection and this agreement is hereby null and void and neither party has any continuing obligation to the other. Seller is responsible for payment of delinquent amounts owed to the District and for meter disconnection and De-Annexation charges, if applicable. Seller shall incur no expense in connection with the transfer of the Subject Connection, unless specifically noted in this Agreement. All expenses, including, but not limited to, transaction fees shall be the sole obligation of Buyer. Buyer shall pay administrative fees for this transaction to Rural North Vacaville Water District (See Fee Schedule Exhibit E)

6. Buyer agrees to bear all costs of improvements necessary to transfer the Subject Connection from Seller's Parcel to Buyer's Parcel including the work necessary to connect the District main water line to Buyer's property. Buyer acknowledges that these costs will include a minimum \$5,000 deposit, the amount depending on length of service line and scope of work necessary. The work must be performed under a separate agreement with the District New Connection Deposit Agreement. Solano Irrigation District (SID) will perform the work for the District on time and material basis for the work plus overhead and District administrative fees.
7. If Buyer's Parcel is not currently within the District, Buyer agrees to annex Buyer's Parcel to the District. If the Subject Connection is a regular water service connection, Seller agrees to De-Annexation of the Seller's Parcel from the District (if required by LAFCO). Buyer agrees to pay all costs associated with the Annexation of Buyer's Parcel if applicable, and Seller agrees to pay all costs associated with the De-Annexation of Seller's Parcel, if applicable. For purposes of this section, the costs associated with the Annexation and De-Annexation include, but are not limited to, all fees and costs imposed by the District and Solano County LAFCO. Seller and Buyer acknowledge and agree that the transfer of the Subject Connection contemplated by this Agreement shall not become operative unless and until LAFCO's proceedings for the Annexation, if any, of Buyer's Parcel to the District and the De-Annexation, if any, of Seller's Parcel from the District are completed.
8. The District agrees to **Amend the Boundaries** of the Rural North Vacaville Water District Assessment District No.1, and, if applicable, zones within that assessment district, as necessary to conform to the transfer of the Subject Connection from Seller's Parcel to Buyer's Parcel, and Seller and Buyer agree to cooperate fully with the boundary change process. Seller shall pay 0% and Buyer shall pay 100% of any fees associated with that amendment if applicable.
9. Seller and Buyer agree to defend, indemnify, and hold harmless the District, and its officials, officers, employees, and agents from and against all claims, damages, judgments, costs, expenses, and fees arising in any manner from or related in any manner to any act or omission of Seller or Buyer, respectively, in performing their obligations under this Agreement.
10. Each Party acknowledges that this Agreement sets forth all covenants, promises, conditions, and understandings between the Parties regarding the transfer of the Subject Connection from Seller's Parcel to Buyer's Parcel and the compensation, if any, for that transfer, and there are no covenants, promises, conditions, or understandings, either oral or in writing, between the Parties other than as set forth herein. No subsequent alteration, amendment, change or addition to this

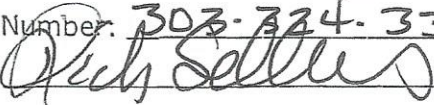
Agreement shall be binding upon the Parties unless reduced to writing and signed by all of them.

12. This Agreement may not be terminated unless such termination is agreed to in writing by all of the Parties to the Agreement.

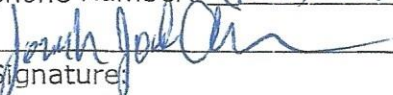
13. This Agreement shall be effective as of the latest date any of the Parties executes the Agreement, as shown below.

In witness whereof, the Parties have executed this Agreement:

**SELLER:**

Name: Rich Sellers  
Street Address: 7231 Steiger Hill Rd  
City/State/ Zip: Vacaville, CA 95688  
Email Address: RichSellers1@gmail.com  
Telephone Number: 303-324-3363  
Signature:  Date: 03/25/2024

**BUYER:**

Name: Joseph Abrew  
Street Address: 712 Atchison Dr  
City/State/Zip: Vacaville CA 95687  
Email Address: josephabrew@gmail.com  
Telephone Number: (707) 365-6136  
By:  Date: 3/25/2024  
Signature:

**DISTRICT:**

Rural North Vacaville Water District  
P.O. Box 5097  
Vacaville, CA 95696

By: \_\_\_\_\_ Date: \_\_\_\_\_  
President  
Board of Directors



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## RURAL NORTH VACAVILLE WATER DISTRICT

**POLICY TITLE:** Annual Review of GM/Treasurer  
**POLICY NUMBER:** 1055  
**ADOPTION:** Pending April 9, 2024  
**REVISIONS:** None

1055.1 An Annual Review of the GM/Treasurer will be conducted in May of each year by the Board President.

See attached form:

### **BOARD PRESIDENT'S GUIDE FOR GENERAL MANAGER ANNUAL PERFORMANCE EVALUATION PROCESS**

**BOARD PRESIDENT'S  
GUIDE FOR  
GENERAL MANAGER  
ANNUAL PERFORMANCE EVALUATION PROCESS**

draft



**Annual Performance Evaluation Process for the  
General Manager of the  
Rural North Vacaville Water District**

**INTRODUCTION –**

The following seven-step process shall be used by the Board of Directors (Board) for the evaluation of the performance of the General Manager (GM) of the Rural North Vacaville Water District. The Board President shall be responsible for initiating the process each year in **March** with the goal of completion in **May** of each year. At the discretion of the Board of Directors, the process will be facilitated by a Consultant, designated sub-committee or the Board President. Every three years, however, the Board of Directors may engage a qualified consultant to facilitate the process with the addition of interviews with individual Board members and potentially other stakeholders such as employees or community leaders. The Process allows for periodic feedback from individual Board members on GM performance yet yields a collective performance evaluation from the full Board. The cycle for the evaluation method will follow the following schedule:

**STEP BY STEP PROCESS –**

**Step 1 (Week 1)** – Request a self-evaluation report from the GM regarding performance. This will be based on the format of the evaluation tool herein, the same as the Board members complete. When appropriate, employee’s input would also be available for the GM at this time. Allow one-week turn around.

**Step 2 (Week 3)**– Circulate the following to each Board member specifically requesting a two-week turnaround:

1. GM’s self-evaluation input,
2. GM’s current year goals and objectives and
3. Last performance evaluation to the Board members and others along with the Appendix A, GM Standard Evaluation form, requesting specifically a two-week response turn-around from Board members.

*Guidance: In a facilitated process is chosen, Step 2 may be replaced with interviews with each Board member by the Facilitator/Consultant.*

**Step 3 (Week 5)** – Board President or Facilitator gathers all Board member inputs for a draft of the collective input using the evaluation form (Appendix A). Board President/Facilitator takes all inputs and combines them into one Board evaluation to the GM. A statement of overall performance should be provided. This entire step may be done by the President directly, a designated sub-committee, Consultant or District Counsel. This draft, and all individual inputs, are made ready for the full Board review at next step for review and editing.

*Guidance: while this process of making one draft from five is necessary to become a working draft for the collective input, all five inputs must be made available to the Board in the next step so that no particular Board members feels that their input was ignored.*

**Step 4 (Week 6)** – President or Facilitator will share draft evaluation developed in Step 3 with full Board in closed session seeking comment and/or adjustment. The intent of Step 4 is to leave with a collectively developed draft GM Evaluation.

**Step 5 (Week 7)** –Sub-committee/Board President shares evaluation with GM about 7-9 days prior to the Board evaluation meeting (Step 6).

*Guidance: this allows for the GM to consider the evaluation and prepare responses (where needed) to the Board for the upcoming evaluation meeting. At least one week should be allowed for the GM to consider responses if any.*

**Step 6 (Week 8)** –Add to Agenda a closed session for GM performance evaluation. Board conducts the session to formally deliver the evaluation to the GM and discuss the position or thoughts, if any, regarding the collective evaluation. At times, this could take two meetings since changes to the evaluation could result from this meeting. Discussion of GM Contract or compensation adjustments should not be discussed at this meeting.

When reconvened to open session, the President will make public any actions from the closed session. A vote of the Board endorsing this evaluation may be necessary.

**Step 7 (Week 8-9)** – Sign and file the completed evaluation with confidential secretary or District Counsel.

**YEARLY SCHEDULE -**

- Step 1 – GM Self-Evaluation (**March start**)..... Week 1
- Step 2 – Solicit Board member Input ..... Week 3
- Step 3 – Draft Collective Input ..... Week 5
- Step 4 – Developing draft collective evaluation meeting..... Week 6
- Step 5 – Share draft of Collective Evaluation with GM ..... Week 7
- Step 6 – Formal Evaluation Meeting ..... Week 8
- Step 7 – File completed Evaluation..... Week 8-9

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**Appendix A**  
**GM Evaluation Form**

**INSTRUCTIONS TO BOARD MEMBERS:** The following form is used to evaluate the performance of the GM for the Rural North Vacaville Water District. Upon completion return the form to the designated process facilitator. Input narrative evaluation comments that you'd like to see shared with our GM relative to each area evaluated (Part 1).

These will be discussed with the entire Board for the collective evaluation. Note that room exists for you to provide comments on each evaluation element as well as your evaluation of the current year's goals and expectations (Part 2). Please pay particular attention to Part 3 wherein you are being asked to note your expectations in goals and objectives for the upcoming evaluation year.

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## RNVWD Board GM Evaluation Input Form

The RNVWD GM Performance Evaluation process includes a number of essential steps. Input for your evaluation will be provided to you from employees as well as the collective Board of Directors. Select employees will be offered the opportunity to provide feedback via the process described in the RNVWD GM Evaluation Guide. As GM you will be asked to file a self-evaluation using this form as a basis. Your current year Goals and Objectives will also be provided to you. The accompanying schedule outlines the general steps through which the process will move in order to support completion in May of each year. The process begins with either the Board President or an outside facilitator gathering the input above in February or March depending on employee process. Next you will receive all of that information and your own blank form.

With this form, you are assessing the following executive level traits. Additionally you will be assessing last year's established Goals and Objectives

- A. Internal Operations
- B. Leadership and Strategic Development
- C. Financial Development
- D. Community Relations
- E. Board Relations
- F. Communications
- G. Problem Solving and Creativity
- H. Ethics
- I. Optimizing Personnel

**SECTION 1 --- SKILLS/KNOWLEDGE/ABILITIES AND PRACTICES**

**A.- INTERNAL OPERATIONS**

**The general manager plans, organizes, manages, evaluates and regularly reports to the Board and the public on the critical activities impacting internal operations. The manager ensures that the physical, compliance related filings, financial and human resources of the organization and corrective actions are safeguarded. This involves recommending that the necessary policies, procedures and standards are in place. This area also involves strategic planning and development for the District.**

Narrative input : *(please provide written input if needed)*

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