

**RESOLUTION No. 2008-001**

**RESOLUTION OF THE RURAL NORTH VACAVILLE WATER DISTRICT BOARD OF DIRECTORS STATING AN INTENT TO INCREASE RATES FOR WATER SERVICE, AND DIRECTING THE GENERAL MANAGER TO PREPARE A PROPOSED RATE SCHEDULE AND NOTICE A PUBLIC RATE-SETTING HEARING**

**WHEREAS**, on this date, the Board of Directors approved a proposed operating budget for the District for FY 2008/2009; and

**WHEREAS**, the District's projected operating expenses for FY 2008/2009 are \$364,319, an increase of \$111,156 over third-quarter year end projections for FY 2007/2008; and

**WHEREAS**, the primary reason from this increase in projected operating expenses is the need to rebuild the District's reserve funds for deferred maintenance and capital improvements, which have been drawn down due to unanticipated expenses for equipment and system repair; and

**WHEREAS**, the District's third-quarter year end projected revenues for FY 2007/2008 are \$216,273, which is \$36,890 short of projected expenses for that same fiscal year period and \$148,046 short of projected expenses for FY 2008/2009; and

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

**WHEREAS**, the Board of Directors has read and considered the staff report of this date that proposes a rate schedule which is estimated to be sufficient to cover the District's projected expenses for FY 2008/2009; and

**WHEREAS**, the staff report appears to present a workable concept for rates, including the use of tiered rates to reflect the increased marginal costs incurred by the District as per-meter water usage approaches the full operating capacity of the District's system; and

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

**RESOLVED**, that the District Board of Directors of the Rural North Vacaville Water

District hereby:

1. Directs the General Manager to proposed schedule of rates, based on the draft schedule included in the staff report and in compliance with the substantive requirements of Proposition 218 and other relevant laws.
2. Directs the General Manager to provide notice of the proposed rate increase and the date, time, and location of a public hearing on the proposal, to be conducted at the earliest possible date, in compliance with the procedural requirements of Proposition 218 and other relevant laws.
3. Appoints an ad hoc subcommittee of the Board, consisting of Board Members Martin Joye and Trish Landis, to work with the General Manager and other District staff in preparing the proposed schedule of rates and providing notice of the public hearing.
4. Directs the General Manager and the ad hoc subcommittee to conducts such community outreach as they determine necessary in order to answer customer and landowner questions about the proposed rate increase.

Passed and adopted by the Board of Directors of the Rural North Vacaville Water District on May 13, 2008, by the following vote:

AYES:	Directors	<u>Whitehouse, Joye, Landis, and Mortensen</u>
		_____
NOES:	Directors	_____
EXCUSED:	Directors	Teschke _____

*R. S. Whitehouse*  
Robert Whitehouse, President  
Board of Directors  
Rural North Vacaville Water District

ATTEST:

*Birgitta Corsetto*  
Birgitta Corsetto, General Manager  
Rural North Vacaville Water District