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**RESOLUTION No. 2021-56**

**RESOLUTION OF THE RURAL NORTH VACAVILLE WATER DISTRICT  
BOARD OF DIRECTORS APPROVING AN INCREASE  
IN THE DISTRICT'S RATES FOR WATER SERVICE**

**WHEREAS**, the District's projected operating expenses for FY 2021/2022 are \$655,000 and does not include a Capital Expenses for an Arsenic Removal Facility; and

**WHEREAS**, the District's year end projected revenues for FY 2021/2022 under the District's existing rate schedule are \$655,000, which does not include any amount for an Arsenic Removal Facility for that same fiscal year period; and

**WHEREAS**, the District Capital Improvement Plan for FY 2021/2022 and 2023 includes the design, permitting and construction of an Arsenic Removal Facility for the Well #2 water supply. The Engineer's Estimate for this project is approximately \$1,500,000; and

**WHEREAS**, the District must generate revenues in an amount sufficient to cover the 110% of the annual debt service on a 10 year loan in the amount of not to exceed \$1,500,000 for the Arsenic Removal System; and

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

**WHEREAS**, on June 8, 2021, the Board considered the General Manager's proposed rate schedule, which appeared to be sufficient to cover the District's projected Capital Improvement Project expenses for FY 2021/2022 through 2023; and

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

**WHEREAS**, the Board directed the General Manager to provide notice of the proposed rate increase and the date, time, and location of a public hearing on the proposal, all in compliance with the substantive and procedural requirements of Proposition 218 and other relevant laws; and

**WHEREAS**, on June 20, 2021 the General Manager provided notice of a public hearing on the proposal, to be conducted on August 10, 2021; and

**WHEREAS**, the Rate Schedule, attached hereto as Table 1, for which public notice was provided at least 45 days in advance of this meeting, is sufficient to meet the District's projected two year Capital Improvement Expense budget and meets the substantive legal requirements for water rates; and

**WHEREAS**, the District has noticed and conducted a public workshop on the rate increase proposal; and

**WHEREAS**, the Board conducted a noticed public hearing on August 10, 2021 to consider protests against the proposed rate increase; and

**WHEREAS**, the Board has calculated the protests submitted, and not withdrawn, to the proposed Rate Schedule and finds that a majority protest does not exist; and

**WHEREAS**, due to the District's current lack of sufficient financial reserves for this Arsenic Removal Facility Capital Improvement Project, it is necessary for the public health and safety that the rate increase be effective at this time and that such increased rates be charged to the District's rate payers on water bills distributed for the next billing cycle August month ending.

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

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

**New Rates:**

Monthly Capital Replacement Charge, CRC      \$45.00

Supplemental Water Rights                              \$45.00

**RESOLVED**, the Board of Directors of the Rural North Vacaville Water District elects not to increase the District's Base rate and not increase the Water Usage rate.

**RESOLVED**, the Board of Directors of the Rural North Vacaville Water District directs the District's General Manager to take all appropriate measures to proceed with the Arsenic Removal Facility Improvement Plan.

Passed and adopted by the Board of Directors of the Rural North Vacaville Water District on August 10, 2021, by the following vote:

AYES: Directors

Chris Calvert, Bob Whitehouse  
Patrick Sweeney, Steven Strickland

NOES: Directors

Elizabeth Miles

EXCUSED: Directors

none

DocuSigned by:  
Chris Calvert  
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**Chris Calvert, President**  
**Board of Directors**  
**Rural North Vacaville Water District**

ATTEST:

Nancy A. Veerkamp  
**Nancy Veerkamp, Board Clerk**  
**Rural North Vacaville Water District**

	<u>Current Rates</u>	<u>Proposed Increase</u>	<u>New Rate</u>
<u>All Customers</u>			
Uniform Usage Rate All Tiers, per CFF (748gallons)	2.08	None	2.08
Base Developed and Undeveloped Service Connection, per month	72.90	None	72.90
Capital Recovery Charge (CRC), per month	20.00	25.00	45.00
<u>Supplemental Water Right</u>			
Supplemental Water Right, per month	17.70	27.30	45.00