

ORDINANCE NO. 2016-02

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT AMENDING ORDINANCE NO. 2011-01 TO MODIFY THE WATER SERVICE RATES

WHEREAS, the Board of Directors of the Rio Linda/Elverta Community Water District (“District”) finds it necessary to adopt increases to existing rates for water service within the District; and

WHEREAS, when adjusting rates, section 31007 of the California Water Code requires that rates and charges shall be fixed to allow the District to: (1) pay its operating expenses; (2) provide for repairs and depreciation of works it owns or operates; (3) pay the interest on any debt; and (4) so far as possible, provide a fund for the payment of the principal of the debt as it becomes due; and

WHEREAS, in 2010, the State of California Department of Public Health (“CDPH”) required that the District adopt an increase in water rates of not less than \$5.46 per month per connection to meet the coverage ratio requirements and Safe Drinking Water State Revolving Fund loan debt service to come into compliance with Health & Safety Code section 11655(a), and the California Waterworks Standards, Title 22, California Code of Regulations (CCR), Chapter 16, Articles 1-5; and

WHEREAS, on March 7, 2011, the District adopted Ordinance 2011-01 to satisfy the CDPH requirements and meet district funding needs; and

WHEREAS, since Ordinance 2011-01, the District has conducted multiple plans and studies that show that the District’s rates should be updated to provide for the District’s current service and operating expenses; and

WHEREAS, the District caused to be prepared the *Rio Linda/Elverta Community Water District Water Rate/Capacity Fee Study – Final Report* dated March 2016 by Bartle Wells and Assoc., that recommended adjustments to water rate schedules and fees; and

WHEREAS, the District prepared the *Water Master Plan Capital Improvement Program (CIP)* and the *Water Master Plan – 2014* showing the estimated costs of the recommended improvements to correct existing deficiencies and to serve future growth; and

WHEREAS, the Board of Directors adopted the *2015/2016 Fiscal Year Budget* on May 18, 2015, indicating the projected revenues and expenditures for the fiscal year; and

WHEREAS, pursuant to Proposition 218 (Cal. Const., Art. XIID, § 6), the District mailed written notice on March 31, 2016, to the affected property owners at least forty-five (45) days prior to the public hearing explaining the proposed water service rate increase, the amount of the rate increase, the basis upon which the rate increase was calculated, the reasons for the water rate increase, and the date, time and place for the public hearing regarding the proposed water service rate increase; and

WHEREAS, on May 16, 2016, the Board of Directors conducted a noticed public hearing where they heard and considered all oral testimony, written materials, and written protests concerning the proposed water service rate increase; and

WHEREAS, upon the close of the May 16, 2016 public hearing, the Board of Directors determined that the District did not receive a majority written protest from the affected property owners opposing the proposed water rate increase pursuant to California Government Code sections 53753, 53753.5, and 53753(a).

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT HEREBY DETERMINES AND ORDAINS AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated herein.

Section 2. Purpose. The purpose of this ordinance is to implement an increase in rates for water service to fund capital improvement projects in order to: (1) comply with the November 19, 2007 State of California Department of Public Health Compliance Order 01-09-07-CO-004; (2) fund capital improvement projects to correct existing deficiencies and future growth to ensure a water supply system that provides a reliable and adequate supply of pure, wholesome, healthful, and potable water; (3) fund increases in the cost of providing water-related services including, but not limited to, maintenance, materials, supplies, utilities, fixed assets, operations, professional and specialized services, and improvements to the water supply system.

Section 3. Findings. The Board of Directors finds and determines as follows:

A. The increased water service rates will yield funding sufficient to: (1) pay the operating expenses of the District; (2) provide for repairs to and replacement of certain water system facilities, and depreciation of works owned or operated by the District; (3) pay the principal and interest on existing District debt; (4) provide additional revenue for reserves, existing debt payment coverage ratio requirements; and (5) the future financing of certain capital improvements identified in the *Water Master Plan – 2014, the Rio Linda/Elverta Community Water District Water Rate and Capacity Fee Study* dated March 2016, and by the State of California Department of Public Health.

B. The revenues derived from the water rates and charges do not exceed the funds required to provide water-related services, and are not used for any other purpose than the provision of water service.

C. The amount of the base rate for water service imposed on each water service customer does not exceed the proportional cost of the water service actually delivered or made available to every identified parcel of real property and/or customer within the District's service boundary.

D. The basis for the Board of Directors' findings is contained in the following documents: *Rio Linda/Elverta Community Water District Water Rate/Capacity Charge Study – Final Report* dated March 2016 by Bartle Wells Associates, the *Water Master Plan Capital Improvement Program*, the *Water Master Plan – 2014*, adopted February 22, 2014; RLECWD Application for Construction funds 2007/2008 to the California Department of Public Health Safe Drinking Water State Revolving Fund; the California Department of Public Health Compliance Order No. 01-09-07-CO-004; the California Department of Public Health NOAA, dated November 23, 2010; the *2015/2016 Fiscal Year Budget*.

E. The District conducted a duly noticed public hearing on May 16, 2016 concerning the proposed rate increase at which the public had the opportunity to comment, provide input, and lodge written protests to the Board of Directors regarding the proposed rate increase.

F. Upon the close of the May 16, 2016 public hearing, the Board of Directors determined that the District did not receive a majority written protest from the affected property owners against the proposed water rate increase pursuant to California Government Code sections 53753, 53753.5, and 53753(a).

Section 4. Amendment. Ordinance No. 2011-01 is hereby amended to adopt the Water Service Rates set forth in this Ordinance and **Exhibit 1**, attached hereto and incorporated herein by this reference.

Section 5. Prior versions superseded. Any provision of any ordinance, resolution, fee, charge and/or other policy of the District in conflict with this Ordinance 2016-02 is hereby superseded by the provisions herein. If any existing fees, charges and/or regulations in effect on the date of adoption of this ordinance are not in conflict herewith, said existing fees, charges and/or regulations shall remain in effect.

Section 6. Enforcement. The General Manager is hereby authorized and directed to enforce all the provisions of these regulations. The General Manager shall have the power to render interpretations of these regulations and establish rules and supplemental regulations in order to clarify the application of its provisions.

June 20, 2016

Section 7. Ordinance Effective Date. This Ordinance shall be effective thirty (30) days after the date of its passage; a summary shall be published once within fifteen (15) days of adoption, in a newspaper of general circulation published in the County of Sacramento. A certified copy of the full text of this Ordinance shall be posted at the office of the Clerk of the District Board of Directors, 730 L St, Rio Linda, CA 95673, with the names of those Board Members voting for and against the Ordinance.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda/Elverta Community Water District on this 20th day of June 2016, by the following vote: **5-0-0**

AYES, in favor hereof: **Duane Anderson, Brent Dills, Paul Green Jr., Mary Harris, and John Ridilla**

NOES: None

ABSTAIN: None

ABSENT: None



John Ridilla, Board President
Board of Directors

ATTEST:



Ralph Felix, Secretary/Clerk of the Board

ORDINANCE 2016-02 EXHIBIT 1

Current Bi-Monthly Rate Effective 1/20/16								
Size	5/8	3/4	1	1-1/2	2	3	4	Inactive
Bi-Monthly	55.04	66.00	98.88	192.03	307.11	575.61	959.18	48.98
Surcharge #1	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Total	74.04	85.00	117.88	211.03	326.11	594.61	978.18	67.98
Rate Increase Effective July 20, 2016								
Size	5/8	3/4	1	1-1/2	2	3	4	Inactive
Bi-Monthly	56.73	56.73	94.55	189.10	302.55	661.84	1191.31	52.34
Surcharge #1	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Surcharge #2	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90
Total	83.63	83.63	121.45	216.00	329.45	688.74	1218.21	79.24
Rate Increase Effective July 20, 2017								
Size	5/8	3/4	1	1-1/2	2	3	4	Inactive
Bi-Monthly	57.75	57.75	96.26	192.51	308.02	673.79	1212.83	51.63
Surcharge #1	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Surcharge #2	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90
Total	84.65	84.65	123.16	219.41	334.92	700.69	1239.73	78.53
Rate Increase Effective July 20, 2018								
Size	5/8	3/4	1	1-1/2	2	3	4	Inactive
Bi-Monthly	58.80	58.80	98.00	195.99	313.59	685.97	1234.74	52.50
Surcharge #1	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Surcharge #2	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80
Total	93.60	93.60	132.80	230.79	348.39	720.77	1269.54	87.30
Rate Increase Effective July 20, 2019								
Size	5/8	3/4	1	1-1/2	2	3	4	Inactive
Bi-Monthly	59.86	59.86	99.77	199.53	319.25	698.37	1257.06	53.39
Surcharge #1	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Surcharge #2	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80
Total	94.66	94.66	134.57	234.33	354.05	733.17	1291.86	88.19

Volumetric Rates					
	Current	7/20/2016	7/20/2017	7/20/2018	7/20/2019
		(\$/ccf)	(\$/ccf)	(\$/ccf)	(\$/ccf)
Non-Drought Vol. Rate	(\$0.64 - \$1.01)	\$0.55	0.77	\$0.79	\$0.81
Drought Rates					
Stage 2 : 30% Conservation	N/A	\$0.63	0.88	\$0.90	\$0.92
Stage 3: 40% Conservation	N/A	\$0.73	1.02	\$1.05	\$1.08
Stage 4: 50% Conservation	N/A	\$0.88	1.23	\$1.26	\$1.29