

ORDINANCE NO. 2016-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT AMENDING ORDINANCE NOS. 2007-01 AND 2013-01 TO MODIFY DISTRICT WATER SERVICE CAPACITY FEES, FIRE PROTECTION FACILITIES FEES AND WATER SERVICE CONNECTION CHARGES

WHEREAS, Government Code sections 66013 and 66016 authorize the Rio Linda/Elverta Community Water district (the "District") to adopt a resolution or ordinance to establish and impose a water capacity charge; and

WHEREAS, pursuant to California Government Code sections 66013 and 66016, the District Board of Directors ("Board of Directors") adopted Ordinance No. 2007-01 on August 20, 2007, modifying rates, fees and charges for services and development; and

WHEREAS, Government Code sections 66013 and 66016 authorize the District to adopt a resolution or ordinance to increase an existing water capacity charge; and

WHEREAS, the District adopted Ordinance No. 2013-01 on October 21, 2013, modifying fees and charges for fire protection, water hydrant usage and other miscellaneous services; and

WHEREAS, each person or entity wanting to connect to the District's water system will share the cost for District facilities, including but not limited to treatment, production, storage and major transmission facilities; and

WHEREAS, the Board of Directors desires to modify the District's water capacity charges, to finance current and future capital improvements necessitated by development within the District's boundaries, as the District's existing water facilities, capacity and current capacity charge cannot adequately satisfy the demands of anticipated new development; and

WHEREAS, the capital facilities currently required to serve new development, such as a proposed surface water supply and treatment facility, will require significant financial investment; and

WHEREAS, the District desires to reduce the cost of long-term capital investments through regional collaboration, grant funding and other forms of financing, in addition to capacity fees; and

WHEREAS, members of the public have had the opportunity to make oral or written presentations to the Board of Directors on the proposed water capacity charge during District meetings held on March 21, 2016, April 19, 2016, May 16, 2016 and August 15, 2016; and

WHEREAS, the District published notice of the initial public hearing, including a general explanation of the matter to be considered, at least ten days before the hearing as required by Government Code sections 6062a and 66018; and

WHEREAS, at least ten days before the public hearing, the District made data publicly available that indicates (1) the estimated cost required to provide the water capacity services for

which the District is levying the water capacity charge and (2) the revenue sources anticipated to provide such service, all according to Government Code section 66016; and

WHEREAS, the above-described data sets forth reasonable cost estimates for the District's provision of improved and new water facilities and establishes that the proceeds generated by the increased water capacity charges do not exceed the total of the estimated costs; and

WHEREAS, the District finds it is in the best interest of public health, safety and welfare to increase the District's water capacity charges to cover the costs of water facilities and necessary improvements within the District; and

WHEREAS, the District finds that the District's water capacity charges should be reduced, in the event that the actual costs for certain facilities are significantly reduced through regional collaboration, grant funding or other forms of financing.

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. Amendment. Ordinance No. 2007-01 is hereby amended to adopt the Water Service Capacity Fees set forth in **Exhibit 1** attached hereto, which shall be adjusted annually on January 1, without further action by the Board of Directors, to reflect the annual change in construction costs, as calculated by the Engineering News Record Construction Cost Index-California.

Section 3. Amendment. Ordinance No. 2013-01 Exhibits 1 and 2 are hereby amended to adopt the Fees set forth in **Exhibit 2** and **Exhibit 3**, which shall be adjusted annually on January 1, without further action by the Board of Directors, to reflect the change in the Engineering News Record magazine Construction Cost Indices.

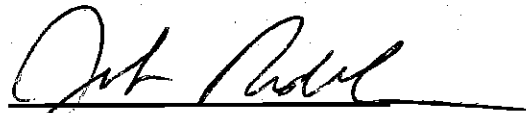
Section 4. Best Effort. The District shall use its best efforts for regional collaboration, or to independently apply for grant funds, to reduce actual costs to the District in developing surface water supply and treatment serving new development in the District. In the event that regional collaboration or the independent procurement of grant funds results in an actual reduction in the cost of developing surface water supply and treatment, the District shall endeavor to reasonably adjust the then-existing capacity fees to account for the net reduction in capital costs, while factoring administrative and other reasonable costs in any such reduction.

Section 4. California Environmental Quality Act Compliance. Pursuant to California Public Resources Code section 21080(b)(8), the requirements of the California Environmental Quality Act do not apply to water capacity charge increase, as the increase caused by this Ordinance constitutes the modification of charges to meet operating expenses and for obtaining funds for capital projects to provide and maintain water service within the District.

Section 5. Ordinance Effective Date. This Ordinance shall be effective thirty (30) days after the date of its second reading and adoption; a summary shall be published once, with names of members voting for and against the same 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 19th day of September, 2016.

AYES, in favor hereof: Brent Dills, Mary Harris, John Ridilla, Mary Henrici, and Paul Green
NOES: None
ABSTAIN: None
ABSENT: None


John Ridilla, President
Board of Directors

Attest: 
Ralph Felix, Board Secretary

EXHIBIT 1

WATER SERVICE CAPACITY FEES

The provisions of Section 2 of Ordinance No. 2007-01 are hereby amended and superseded by the following:

Water Service Capacity Fees

METER SIZE (IN INCHES)	DEVELOPER FEE
5/8	N/A*
3/4	N/A*
1	\$13,064.00
1 1/2	\$26,128.00
2	\$41,805.00
3	\$91,448.00
4	\$164,606.00
6	\$365,792.00
8	\$627,072.00
Greater than 8 inches	The fees shall reflect the actual costs of providing service capacity, and shall be approved through an agreement with the Board of Directors

*Uniform Fire Code requires higher capacity so no less than 1” will be installed.

The above fees shall be charged based on the meter size installed at the service location in accordance with § 4.07.012 (2) of the Water Systems Regulations. In the event an existing service is upsized, the applicant shall pay the difference between the current rate for the existing meter size and the appropriate rate charged for the new meter size.

All Water Service Capacity Fees shall be paid prior to plan approval by the General Manager. Provided, however, commercial or industrial projects and residential projects or subdivisions involving more than four (4) units may be phased in accordance with an agreement approved by the Board of Directors. Water service will not be turned on prior to the receipt of the fees and the fee charged shall be that which is in effect at the time of receipt of payment by District.

The fees in this “EXHIBIT 1” shall increase annually based on the change in Engineering News Record (“ENR”) magazine Construction Cost Index (“CCI”) for California each January 1, beginning January 1, 2017.

EXHIBIT 2

FIRE PROTECTION FACILITIES FEES

The provisions of Sections 1, 2, and Exhibit 1 of Ordinance No. 2013-01 are hereby amended and superseded by the following:

Fire Protection Capacity Fees

PRIVATE FIRE HYDRANTS	SPRINKLER SYSTEM LINES
6 INCH (minimum) - \$16,863	1 inch (minimum) - \$602
8 INCH - \$28,908	1½ inch - \$1,205
10 INCH - \$45,771	2 inch - \$1,927
12 INCH - \$60,225	3 inch - \$4,216
GREATER THAN 12 INCH – The fees shall be relative to the charges above and increase in proportion to the size of the pipe. The fee shall be approved through an agreement with the Board of Directors.	4 inch - \$7,588
Penalty for Unauthorized Use	6 inch - \$16,863
of Fire Lines	8 inch - \$28,908
Use of fire lines for purposes other than fire suppression, system testing or system repair shall constitute unauthorized use. Such unauthorized use shall be subject to a \$105.00 fee. Any subsequent violations shall be subject to a \$165.00 Fee and the water shall be turned-off until brought into compliance.	Greater than 8 inch – The fees shall be relative to the charges above and increase in proportion to the size of the pipe. The fee shall be approved through an agreement with the Board of Directors.
Fire Protection Facilities Flat Rate Charge	\$10.00 per diameter inch - Bi-monthly

The fees above shall be for dedicated fire service only. No other use is allowed on these water lines. In the event the private fire protection facilities are used for other purposes, the normal “Water Service Capacity” fee shall apply. Applicants shall be required to install meters and/or detector check valves and backflow devices to the satisfaction of the General Manager on all fire protection facilities. Minimum pipe sizes as indicated above shall be enforced.

Installation of Fire Protection Facilities shall be in accordance with Chapter **4.21** of the Water System Regulations as amended by **Resolution No. 2002-01-01**.

The fees in this “EXHIBIT 2” shall increase annually based on the change in Engineering News Record (“ENR”) magazine Construction Cost Indices (“CCI”) for California each January 1, beginning January 1, 2017.

EXHIBIT 3

WATER SERVICE INSTALLATION CHARGES

The provisions of Section 1, 2 and Exhibit 2 of Ordinance No. 2013-01 are hereby amended and superseded by the following:

Water Service Connection Charges

When a water service connection, as defined in §4.07.013 of the Water System Regulations, is proposed for installation, the District shall require payment in advance. The connection charges as required under §4.07.012(2) of the Water System Regulations shall be as follows:

<u>Full Service Installation</u>	
1" Service with 5/8" x 3/4" Meter Outside Roadway with Main on Customer Side of Street	\$3,400.00
1" Service with 5/8 x 3/4" Meter requiring street crossing using Boring Machine	\$4,700.00
1" Service with 5/8 x 3/4" Meter in Improved Roadway	\$5,500.00
Additional Cost for 1" Meter	\$100.00
Additional Cost for 1 1/2" Meter	\$700.00
Additional Cost for 2" Meter	\$1,000.00
Larger than 2" Meter	Time and Materials
<u>Meter Installation where Meter-setter & service-line is already installed</u>	
5/8 x 3/4" Meter	\$400.00
1" Meter.	\$500.00
1 1/2" Meter	\$600.00
2" or Larger Meter	Time and Materials

The above fees shall be in addition to those charged in "Exhibit 1 WATER SERVICE CAPACITY FEES" of Ordinance 2016-01.

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.

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.

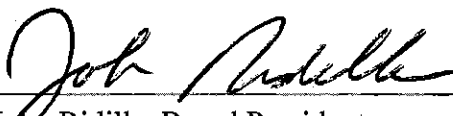
APPROVED AND ADOPTED by the Board of Directors of the Rio Linda/Elverta Community Water District on this 20th day of June 2016, by the following vote: **5-0-0**

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