

**ORDINANCE NO. 2011-01**

**AN ORDINANCE OF THE RIO LINDA/ELVERTA  
COMMUNITY WATER DISTRICT ADOPTING  
INCREASED RATES FOR WATER SERVICE**

The Rio Linda/Elverta Community Water District ("District") ordains as follows:

**Section 1.** This ordinance is adopted with reference to the following background recitals:

A. 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, as required by California Water Code section 31007; and

B. Section 31007 of the California Water Code requires that said rates and charges shall be so fixed as to yield an amount sufficient to do each of the following: (1) pay the operating expenses of the District; (2) provide for repairs and depreciation of works owned or operated by the District; (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

C. The State of California Department of Public Health issued to the Rio Linda/Elverta Community Water District Compliance Order 01-09-07-CO-004 on November 19, 2007 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

D. The District on February 29, 2008 submitted an Application for Construction funds 2007/2008 to the California Department of Public Health Safe Drinking Water State Revolving Fund ("SDWSRF") for capital improvement projects and the District's Board of Directors at the March 4, 2009 and March 9, 2009 Board of Director's meetings prioritized capital improvement projects to come into compliance with the November 19, 2007 State of California Department of Public Health Compliance Order 01-09-07-CO-004; and

E. The State of California Department of Public Health on November 23, 2010, issued a Notice of Acceptance of Application ("NOAA") conditionally approving the District's February 29, 2008 application for construction funds; and

F. The State of California Department of Public Health's conditions in the NOAA included, among other items, the requirement that the District shall 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; and

G. The District caused to be prepared a *Rio Linda/Elverta Community Water District*

*Long-Range Financial Plan and Water Rate/Capacity Charge Study – Final Report* dated May 22, 2002 by Reed Consulting Group, and a *Rate Study Final Report* dated January 13, 2010 by Aronow Consulting Economics & Public Finance that recommended adjustments to water rate schedules and recommended adjustment to water; and

H. The Rio Linda/Elverta Community Water District undertook a master planning effort to identify water system improvements to correct existing deficiencies and to serve future growth and prepared a *Water Master Plan Capital Improvement Program (CIP)* and a *Water Master Plan – 2003 Revision* showing the estimated costs of the recommended improvements to be undertaken by the District; and

I. The Board of Directors adopted the *2010/2011 Fiscal Year Budget* on June 21, 2010 indicating the projected revenues and expenditures for the fiscal year; and

J. The basis for the Board of Directors' findings is contained in the following documents: *Rio Linda/Elverta Community Water District Long-Range Financial Plan and Water Rate/Capacity Charge Study – Final Report* dated May 22, 2002 by Reed Consulting Group, the *Water Maser Plan Capital Improvement Program*, the *Water Master Plan – 2003 Revision*, adopted August 18, 2003; the staff report entitled *Workshop – Water Rates, Operating Costs, Capital Improvements and other District Costs*, dated November 5, 2003; 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 *2010/2011 Fiscal Year Budget*; and the *Rio Linda Community Water District Water Rate Study* by G. Aronow Consulting dated January 13, 2011; and

K. The Board of Directors conducted a noticed public hearing on the proposed rate increase to its water service fees on March 7, 2011. After considering public comment and other information presented at the March 7, 2011 hearing, the Board of Directors determines that (1) the District has not received a majority written protest against the proposed water rate increase pursuant to California Government Code sections 53753, 53753.5, and 53753(a).

**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-related service rates implemented by this ordinance have been fixed as to yield an amount 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; and, (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 – 2003 Revision, the Rio Linda/Elverta Community Water District Water Rate Study* by G. Aronow Consulting, dated January 13, 2011, and by the State of California Department of Public Health. The increased water rates and charges are reasonably related to, and do not exceed, the District's cost of providing water-related services, and do not exceed the reasonable cost of the proportional special benefit conferred on each parcel of real property within the District's service boundary.

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 District conducted a duly noticed public hearing on March 7, 2011 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.

E. The following documents form the basis of the above findings: the *Rio Linda/Elverta Community Water District Long-Range Financial Plan and Water Rate/Capacity Charge Study – Final Report* dated May 22, 2002 by Reed Consulting Group; the *Rio Linda / Elverta Community Water District Water Master Plan – Final Report, November 2000* by Camp Dresser & McKee; the *Water Master Plan – 2003 Revision*, adopted August 18, 2003; the staff report entitled *Workshop – Water Rates, Operating Costs, Capital Improvements and other District Costs* dated November 5, 2003; Rio Linda/Elverta Community Water District February 29, 2008 Application for Construction funds 2007/2008 to the California Department of Public Health Safe Drinking Water State Revolving Fund; the December 19, 2008 California Department of Public Health Compliance Order No. 01-09-07-CO-004; the Department of Public Health NOAA, dated November 23, 2010, the *2010/2011 Fiscal Year Budget* adopted on June 21, 2010; and the *Rio Linda/Elverta Community Water District Water Rate Study* by G. Aronow Consulting, dated January 13, 2011.

**Section 3.** The usage rates for water service, as set forth in Exhibit 1, attached hereto and incorporated herein by this reference, are hereby adopted and established effective immediately.

**Section 4.** Any provision of any ordinance, resolution, fee, charge and/or other policy of the District in conflict with this Ordinance 2011-01 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 5.** 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.

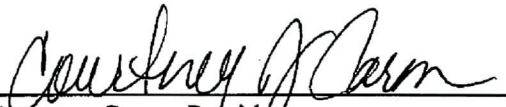
ADOPTED on this 7th day of March 2011, after a noticed public hearing, by the following vote:

AYES, in favor hereof: Director Courtney Caron, Director Frank Caron, and Director Martin Smith

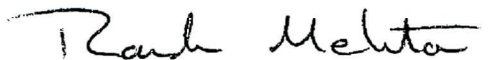
NOES: Director Cathy Nelson-Hood, Director Vivien Spicer-Johnson

ABSTAIN: None

ABSENT: None

  
\_\_\_\_\_  
Courtney Caron, President  
Board of Directors

ATTEST:

  
\_\_\_\_\_  
Ravi Mehta, Secretary/Clerk of the Board

Signatures on file

**EXHIBIT 1**

*Title 4, Water System Regulations, Chapter 4.31 FEES, CHARGES AND BILLING* of the Rio Linda/Elverta Community Water District's Policy Manual *Water* shall be amended with *Section 4.31.205 California Department of Public Health Compliance Order 01-09-07-CO-004 Capital Projects Surcharge* effective for all bills rendered by the District on, or after, March 7, 2011:

**Rate Increase Schedule**

Summary of Current and Calculated Water Rates (Bi-Monthly)

	Base/Fixed Bi-Monthly Charge							Flow/Commodity Charge (1)		
	5/8"	3/4"	1"	1-1/2"	2"	3"	4"	Tier 1	Tier 2	Tier 3
<b>Current</b>								***Per HCF***		
Service Charge	\$29.00	\$34.80	\$52.20	\$101.00	\$162.00	\$304.00	\$507.00			
Capital Surcharge	\$19.00	\$19.00	\$19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00			
<b>TOTAL</b>	<b>\$48.00</b>	<b>\$53.80</b>	<b>\$71.20</b>	<b>\$120.00</b>	<b>\$181.00</b>	<b>\$323.00</b>	<b>\$526.00</b>			
Flow Charge								\$0.43	\$0.54	\$0.68
<b>2010-11</b>	<b>Effective March 7, 2011</b>									
Service Charge	\$46.80	\$56.12	\$84.07	\$163.27	\$261.11	\$489.40	\$815.53			
Capital Surcharge	\$19.00	\$19.00	\$19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00			
<b>TOTAL</b>	<b>\$65.80</b>	<b>\$75.12</b>	<b>\$103.07</b>	<b>\$182.27</b>	<b>\$280.11</b>	<b>\$508.40</b>	<b>\$834.53</b>			
Flow Charge								\$0.54	\$0.68	\$0.86
<b>2011-12</b>	<b>Effective January 1, 2012</b>									
Service Charge	\$48.17	\$57.76	\$ 86.53	\$168.04	\$268.74	\$503.70	\$839.35			
Capital Surcharge	\$19.00	\$19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00			
<b>TOTAL</b>	<b>\$67.17</b>	<b>\$76.76</b>	<b>\$105.53</b>	<b>\$187.04</b>	<b>\$287.74</b>	<b>\$522.70</b>	<b>\$858.35</b>			
Flow Charge								\$0.56	\$0.70	\$0.88
<b>2012-13</b>	<b>Effective January 1, 2013</b>									
Service Charge	\$49.79	\$59.70	\$ 89.45	\$173.71	\$277.81	\$520.70	\$867.68			
Capital Surcharge	\$19.00	\$19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00			
<b>TOTAL</b>	<b>\$68.79</b>	<b>\$78.70</b>	<b>\$108.45</b>	<b>\$192.71</b>	<b>\$296.81</b>	<b>\$539.70</b>	<b>\$886.68</b>			

Flow Charge \$0.58    \$ 0.73    \$ 0.91

**2013-14**

**Effective January 1, 2014**

Service Charge	\$51.47	\$61.72	\$ 92.47	\$179.47	\$287.20	\$538.30	\$897.01
Capital Surcharge	\$19.00	\$19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00
<b>TOTAL</b>	<b>\$70.47</b>	<b>\$80.72</b>	<b>\$111.47</b>	<b>\$198.47</b>	<b>\$306.20</b>	<b>\$557.30</b>	<b>\$916.01</b>

Flow Charge \$0.60    \$ 0.75    \$ 0.94

**2014-15**

**Effective January 1, 2015**

Service Charge	\$53.22	\$63.82	\$ 95.62	\$185.69	\$296.97	\$556.61	\$927.52
Capital Surcharge	\$19.00	\$19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00
<b>TOTAL</b>	<b>\$72.22</b>	<b>\$82.82</b>	<b>\$114.62</b>	<b>\$204.69</b>	<b>\$315.97</b>	<b>\$575.61</b>	<b>\$946.52</b>

Flow Charge \$0.62    \$ 0.78    \$ 0.98

**2015-16**

**Effective January 1, 2016**

Service Charge	\$55.04	\$66.00	\$98.88	\$192.03	\$307.11	\$575.61	\$959.18
Capital Surcharge	\$19.00	\$19.00	\$19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00
<b>TOTAL</b>	<b>\$74.04</b>	<b>\$85.00</b>	<b>\$117.88</b>	<b>\$211.03</b>	<b>\$326.11</b>	<b>\$594.61</b>	<b>\$978.18</b>

Flow Charge \$0.64    \$ 0.80    \$ 1.01