

# CALAVERAS COUNTY WATER DISTRICT FINANCE COMMITTEE MEETING

## AGENDA

Committee Meeting  
Tuesday August 15, 2023  
1:00 p.m. PDT

Calaveras County Water District  
120 Toma Court  
San Andreas, California 95249

*Board Chambers are open to the public and the following alternative is available to members of the public who wish to participate in the meeting virtually:*

### Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 689-206-0281](tel:+16892060281),739729676# United States, Orlando

Phone Conference ID: 739 729 676#

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 209-754-3028. Notification in advance of the meeting will enable CCWD to make reasonable arrangements to ensure accessibility to this meeting. Any documents related to agenda items that are made available to the Board before or at the meeting shall be available for review by the public at 120 Toma Court, San Andreas, CA 95249.

## ORDER OF BUSINESS

### CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **PUBLIC COMMENT:** Comments limited to three minutes per person.
2. **APPROVAL OF MINUTES:** For the meeting of July 18, 2023.
3. **NEW BUSINESS**
  - 3a. Tyler Software Costs  
(Jeffrey Meyer, Director of Administrative Services)
  - 3b. Discussion\* Customer Assistance Program  
(Kelly Richards, Business Services Manager)

**4. OLD BUSINESS**

- 4a. Report on Deferred FY23-24 Budget Items  
(Jeffrey Meyer, Director of Administrative Services)
- 4b. Update of R&R Rate Ordinance and Policies  
(Jeffrey Meyer, Director of Administrative Services)
- 4c. Discussion\* Update on Reminder and Penalty and Procedures  
(Kelly Richards, Business Services Manager)
- 4d. Discussion\* Audit Management Letter  
(Jeffrey Meyer, Director of Administrative Services)
- 4e. Discussion\* Rate Study Update  
(Jeffrey Meyer, Director of Administrative Services)

**5. DIRECTOR OF ADMINISTRATIVE SERVICES COMMENTS**

**6. GENERAL MANAGER COMMENTS**

**7. DIRECTOR COMMENTS**

**8. FUTURE AGENDA ITEMS**

**9. NEXT COMMITTEE MEETING**

**10. ADJOURNMENT**

# Minutes

MINUTES  
FINANCE COMMITTEE MEETING  
July 18, 2023

The following Committee Members were present:

Scott Ratterman	Director
Bertha Underhill	Director

Staff Present:

Jeffrey Meyer	Director of Administrative Services
Damon Wyckoff	Director of Operations

Public Present: None.

**ORDER OF BUSINESS**

**CALL TO ORDER / PLEDGE OF ALLEGIANCE**

**Meeting called to order at 1:00 p.m., the Pledge of Allegiance was led by Director Secada.**

1a. Public Comment: none.

2a. Approval of Minutes: For the meeting of May 30, 2023.

3a. New Business:

3a. Report on the Monthly Financial Reports for June 2023:

Mr. Meyer reviewed the monthly financial reports. There are still expenditures for FY22-2023 coming in, so the reports will change. Director Ratterman asked to add page separators to the Agenda Packet moving forward.

3b. Report on the FY2022-23 Fourth Quarter Investment Activities:

Mr. Meyer reviewed the Fourth Quarter Investment Activities.

3c. Report on Deferred FY23-24 Budget Items

Mr. Meyer explained that the purpose of this report is to track any expenditures for purchases that have been deferred until after the rates have been adopted. These expenditures were identified as potential cuts if needed.

3d. Discussion of Grants

Director Ratterman asked who is doing grants now? Mr. Minkler explained that it used to be a collaboration between the Director of External Affairs and Engineering. The District has consulted with an outside agency/grants coordinator to obtain a quote from the agency to search for grants. The District is on the verge of making progress. There are currently nine grants in progress:

- AMI (CIP 11096)
- Redwood Tanks (CIP 11095)
- WP Filter (CIP 11106)
- Hunters Raw Water (CIP 11103) – currently waiting for approval to proceed with construction.
- WP/Wilseyville Consolidation (CIP 15091)
- 2017 Storm Grant (FEMA)
- 2019 Storm Grant (FEMA)
- 2022-23 Storms Grant (FEMA)
- Critical Generator Replacement

MINUTES  
FINANCE COMMITTEE MEETING  
July 18, 2023

Director Ratterman asked the District to bring a Table of the Grants to the Board, including the Amount and Timeline.

Mr. Minkler also said that the District has applied for approximately \$33 million in grants that have been denied in the last couple of years. The Engineering Coordinator will be tracking/coordinating grant applications. Damon Wyckoff has taken on FEMA grants/emergency claims. The District needs to determine what stays in Engineering vs Operations.

The District is currently seeking a grant for the Arnold Wastewater improvements, and it is in the pre-application phase with the State Water Resources Control Board.

The state is mainly funding grants in disadvantaged communities, and Calaveras County is not considered disadvantaged. The grant application process has become very competitive.

4a. Update on Leak Adjustment Procedures

Ms. Richards proposed an update to the way leak adjustments are calculated. Director Thomas would like to see the amount calculated at the hydrant rate.

4b. Update of R&R Rate Ordinance and Policies

Mr. Meyer presented a draft ordinance, 2023-02, using minimum thresholds. Directors Ratterman and Underhill approved bringing the ordinance to the full Board.

4c. Update on Reminder and Penalty Procedures

Ms. Richards presented the proposed reminder process to the Directors. The Directors are supportive of moving forward with the reminder process. A fee study needs to be completed to determine the appropriate amount for the late fee. The \$10 fee that was charged in the past was from a 2010 fee study.

4d. Discussion: Lock-off Policies and Procedures

Ms. Richards and Mr. Meyer explained that the lock-off process may not be an efficient use of District funds. Additionally, there is pending legislation in the state that may prevent water lock-offs in the future. It is recommended to hold off on the lock-off process until after the penalty process has been implemented for a period of time.

4e. Audit Management Letter – Update of Fund Transfer Procedure

Mr. Meyer explained that the Fund Transfer procedure was an item on the Audit Management letter, and the procedure has now been updated.

5. Director of Administrative Services Comments:

Mr. Meyer said that the District is still reviewing Tyler to determine if the system can meet District needs.

Director Underhill asked for a list of all Tyler invoices to be presented at the next FC meeting.

6. General Manager Comments:

Mr. Minkler thanked the Administrative Services team for the hard work on the Rate Study.

7. Director Comments:

Director Ratterman had no comments.

Director Underhill Reported on the successful car show in Arnold, on CCWD property, 103 entries

MINUTES  
FINANCE COMMITTEE MEETING  
July 18, 2023

5a. Future Agenda Items:

- a. Social Media Policy.
- b. Rate Study.
- c. Budget.
- d. Property Tax placement of Sewer Bills.

6a. Next Committee Meeting:

Tuesday August 15 at 1:00 pm (subject to change)

7a. Adjournment:

Meeting adjourned at 2:48 p.m.

Respectfully Submitted,

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Catherine Eastburn, Accountant II

Approved:

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Jeffrey Meyer, Director of Administrative Services

3a

# Agenda Item

DATE: August 15, 2023  
TO: Finance Committee  
FROM: Jeffrey Meyer, Director of Administrative Services  
SUBJECT: Discussion of Tyler Software Costs

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## **RECOMMENDED ACTION:**

Discussion of Tyler Software Costs.

## **SUMMARY:**

The Finance Committee has requested a review and discussion of Tyler costs for the utility billing system. Staff will review these costs, as well as projected costs for the finance and human resources packages.

The attached documents show the Tyler costs for FY 2022-23 and the budgeted amounts for FY 2023-24. Staff will be available for questions.

## **FINANCIAL CONSIDERATIONS:**

None at this time.

*Attachment: FY 2022-23 Tyler Software Costs  
FY 2023-24 Operating Budget – Tyler Software*



Calaveras County Water District  
 Utility Billing Cost Information - FY 22-23

		FY 22-23
Tyler UB System Fees	Date	Total
Utility Online Component	07/21/22	3,780.00
Incode Annual Sass Fees	05/10/23	44,482.00
Subscription - UB Notification	08/02/23	43.30
<b>TOTAL</b>		<b>48,305.30</b>

		FY 22-23
Transaction Fees	Date	Total
Insite Transaction Fees - Utility Billing	Jul - Sep 22	7,406.25
Insite Transaction Fees - Utility Billing	Oct - Dec 22	2,481.25
Insite Transaction Fees - Utility Billing	Jan - Mar 23	11,355.75
Insite Transaction Fees - Utility Billing	Apr - Jun 23	16,708.00
Global Payments	Jun-22	15,299.32
Global Payments	Jul-22	14,883.83
Global Payments	Aug-22	17,047.58
Global Payments	Sep-22	12,169.87
Global Payments	Oct-22	14,810.26
Global Payments	Nov-22	12,352.06
Global Payments	Dec-22	16,886.81
Global Payments	Jan-23	15,733.70
Global Payments	Feb-23	14,499.84
Global Payments	Mar-23	14,458.51
Global Payments	Apr-23	13,306.72
Global Payments	May-23	12,987.45
Global Payments	Jun-23	16,598.78
<b>TOTAL</b>		<b>228,985.98</b>

4th Quarter Collections	
Period	Total
Apr-Jun 23	16,708.00
Apr-23	13,306.72
May-23	12,987.45
Jun-23	16,598.78
<b>TOTAL</b>	<b>59,600.95</b>

**Customer charges collected from April – June, 2023 56,123.00**



**Remittance:**  
 Tyler Technologies, Inc  
 (FEIN 75-2303920)  
 P.O. Box 203556  
 Dallas, TX 75320-3556

# Invoice

<b>Invoice No</b>	<b>Date</b>	<b>Page</b>
025-419177	04/01/2023	1 of 1

**Questions:**  
 Tyler Technologies- Local Government  
 Phone: 1-800-772-2260 Press 2, then 2  
 Email: ar@tylertech.com



Bill To: CALAVERAS COUNTY WATER DISTRICT  
 120 TOMA COURT  
 SAN ANDREAS, CA 95249

Ship To: CALAVERAS COUNTY WATER DISTRICT  
 120 TOMA COURT  
 SAN ANDREAS, CA 95249

<b>Cust No.-BillTo-ShipTo</b>	<b>Ord No</b>	<b>PO Number</b>	<b>Currency</b>	<b>Terms</b>	<b>Due Date</b>
54292 - MAIN - MAIN	137652	2020-100545	USD	NET45	05/16/2023

Description	Extended Price
Incode Annual Saas Fees - Year 3 - 4/1/2023-3/31/2024	74,871.00

**Milestone Details**

Description:	Contract Amount:	Percent Invoiced:	Amount Invoiced:
Misc. Accounts Receivable - Subscription Fees	16,730.00	20%	3,346.00
Utility CIS System - Subscription Fees	80,170.00	20%	16,034.00
Cashiering - Subscription Fees	29,035.00	20%	5,807.00
Third Party Printing Interface - Subscription Fees	20,740.00	20%	4,148.00
Tyler Content Manager Standard Edition (TCM SE) - Subscription Fees	24,340.00	20%	4,868.00
Tyler U	315.00	20%	63.00
Service Order API	12,500.00	20%	2,500.00
Additional Utility Meter Reader Interface Subscription Fees	7,716.00	25%	1,929.00
Meter Data Sync with Scheduler - Subscription Fees	23,148.00	25%	5,787.00
Core Financial Subscription Fees	50,864.00	25%	12,716.00
Fixed Assets Subscription Fees	6,416.00	25%	1,604.00
Personnel Management Includes Position Budgeting Subscription Fees	28,740.00	25%	7,185.00
Project Accounting Subscription Fees	11,932.00	25%	2,983.00
ESS Time & Attendance Subscription Fees	8,272.00	25%	2,068.00
Purchasing Subscription Fees	15,332.00	25%	3,833.00



**\*\*ATTENTION\*\***  
 Order your checks and forms from  
 Tyler Business Forms at 877-749-2090 or  
 tylerbusinessforms.com to guarantee  
 100% compliance with your software.

<b>Subtotal</b>	74,871.00
<b>Sales Tax</b>	0.00
<b>Invoice Total</b>	74,871.00

4a

# Agenda Item

DATE: August 15, 2023

TO: Finance Committee

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Update on the FY 2023-24 Operating Budget – Deferred Items

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## **RECOMMENDED ACTION:**

Update on the FY 2023-24 Operating Budget - Deferred Items.

## **SUMMARY:**

On June 28, 2023, the Board of Directors adopted the FY 2023-24 Operating and Capital Improvements Budgets. The adopted FY 2023-24 Operating Budget included \$808,482 for Capital Outlay equipment and projects. Staff identified \$539,903 in Capital Outlay budgeted items that will be deferred until after the Proposition 218 Public Rate Hearing, scheduled for September 13, 2023. Furthermore, \$50,000 in the Services and Supplies budget will also be deferred.

The attached report was developed to provide to the Finance Committee a monthly report that summarizes the deferred items and tracks expenditures.

## **FINANCIAL CONSIDERATIONS:**

None at this time.

*Attachment: FY 2023-24 Operating Budget – Deferred Items Report*

Calaveras County Water District  
 FY 2023-24 Operating Budget - Deferred Budgeted Items, Capital Outlay

Capital Type	Dept	Qty	Location	Description	Final Budget	Deferred	Deferred Water	Deferred Sewer	Expenditures Jul 23	Expenditures Aug 23	Expenditures Sep 23	Expenditures Oct 23	Balance
Capital Lease	54	8	District Wide	FY 2023-24 Vehicle Lease to Own - New	136,240	136,240	99,455	36,785	-	-	-	-	136,240
Equipment	54	1	West Point	Vac Trailer	127,448	127,448	93,037	34,411	-	-	-	-	127,448
Equipment	54	1	Collections	Push Cams	35,000	35,000	-	35,000	-	-	-	-	35,000
Equipment	54	1	Corp Yard	Tire Balancer	9,000	9,000	6,570	2,430	-	-	-	-	9,000
Equipment	54		Corp Yard	Warehouse Equipment and Furniture	7,500	7,500	5,475	2,025	-	-	-	-	7,500
Equipment	58	1	District Wide	Line Locator - Replacement	7,000	7,000	5,110	1,890	-	-	-	-	7,000
Projects	54	3	La Contenta WWTP	Sand Filters - Rehabilitation	150,000	150,000	-	150,000	-	-	-	-	150,000
Projects	54		District-Wide	Critical Generator Replacement (25% match)	67,715	67,715	49,432	18,283	-	-	-	-	67,715
<b>Total</b>					<b>539,903</b>	<b>539,903</b>	<b>259,079</b>	<b>280,824</b>	-	-	-	-	<b>539,903</b>

FY 2023-24 Operating Budget - Deferred Budgeted Items, Services and Supplies

Dept	Account		Services and Supplies	Description	Final Budget	Deferred	Deferred Water	Deferred Sewer	Expenditures Jul 23	Expenditures Aug 23	Expenditures Sep 23	Expenditures Oct 23	Balance
Dept 54	60590		Professional Services	ARC Flash Assessment (WW)	50,000	50,000	50,000	-	-	-	-	-	50,000
<b>Total</b>					<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	-	-	-	-	-	<b>50,000</b>

4b

# Agenda Item

DATE: August 15, 2023

TO: Finance Committee

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Discussion/Direction Regarding District's Capital R&R Rate Ordinance and Financial Management Policy – No. 5.00, Budget and Fiscal Policies

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## **RECOMMENDED ACTION:**

Discussion/Direction Regarding District's Capital R&R Rate Ordinance and Financial Management Policy – No. 5.00, Budget and Fiscal Policies.

## **SUMMARY:**

Ordinance No. 2013-01, an Ordinance of the Calaveras County Water District Modifying Rates for Water and Wastewater Services was adopted by the Board of Directors on July 10, 2013. Section 5 of Ordinance 2013-01, *Use of Additional Revenue*, states:

“Funds received as a result of a rate increase above the current rates as of July 10, 2013, must be placed in a restricted fund and the funds must be used to fund the renovation and replacement of the District's existing capital infrastructure. The funds in this account cannot be used for any other purpose without a 4/5th vote of the full Board of Directors of the District.”

As part of the current Rate Study the District is looking to separate the Capital Renovation and Replacement (Capital R&R) funding requirements from the rates and rate ordinance. Staff presented drafts of a new capital funding ordinance and updated Section 5.00.4, Capital Improvement Policies, and Section 5.00.7, Rate Setting Policies of the Financial Management Policy 5.00, to the Finance Committee on July 18, 2023.

The Finance Committee provided comments and the attached proposed ordinance and policy changes reflect those comments. Staff requests direction to submit the draft ordinance and policies to the Board for adoption.

## **FINANCIAL CONSIDERATIONS:**

None at this time.

*Attachments:*

- Draft Capital Improvement Funding Ordinance
- Ordinance 2013-01, an Ordinance of the Calaveras County Water District Modifying Rates for Water and Wastewater Services
- Draft amendments to District Financial Management Policy No. 5.00 – Budget and Fiscal Policies

**ORDINANCE NO. 2023-02**

**AN ORDINANCE OF CALAVERAS COUNTY WATER DISTRICT  
DESIGNATING FUNDING LEVELS FOR THE WATER AND  
WASTEWATER CAPITAL IMPROVEMENT PROGRAM**

**WHEREAS**, *the Board of Directors of the Calaveras County Water District* (District) has responsibility for establishing rates for the provision of District services and corresponding implementation policies; and

**WHEREAS**, **Ordinance No. 2013-01**, *an Ordinance of the Calaveras County Water District Modifying Rates for Water and Wastewater Services* was passed and adopted by the District's Board of Directors on July 10, 2013; and

**WHEREAS**, *Section 5 of Ordinance 2013-01, Use of Additional Revenue*, states that funds received as a result of a rate increase above the current rates as of July 10, 2013 must be placed in a restricted fund and the funds must be used to fund the renovation and replacement of the District's existing capital infrastructure. The funds in this account cannot be used for any other purpose without a 4/5<sup>th</sup> vote of the full Board of Directors of the District; and

**WHEREAS**, the District has prepared a *Water & Wastewater Rate Study* dated September 2023 that recommended adjustments to water and wastewater rate schedules, including changes to Capital Renovation and Replacement water and wastewater charges; and

**WHEREAS**, the official noticed Public Hearing was held on Wednesday, September 13, 2023, and written protests received in accordance with the procedures outlined in Article XIID, Section 6 numbered less than half of the property owners served; and

**WHEREAS**, the Board of Directors passed and adopted the rates relative to the provision of water and wastewater services, which did not include the Capital Renovation and Replacement water and wastewater charges; and

**WHEREAS**, the Board of Directors supports and prioritizes the long-term capability and sustainability of the District's water and wastewater Capital Improvement Program and related infrastructure, and the funding required support said infrastructure; and

**WHEREAS**, the Board of Directors desires to set a minimum level of funding from water and wastewater rate revenues to adequately support its water and wastewater Capital Improvement Program, including the funding of debt issued to support said program; and

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**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the Calaveras County Water District as follows:

**Section 1. Ordinance 2013-01, Section 5. Use of Additional Revenue** is hereby rescinded.

**Section 2. Funding.** At a minimum, the District shall fund its annual capital improvement program, including any capital improvement related debt issuances, at a level equal to the water and wastewater Capital Renovation and Replacement (Capital R&R) revenues received in FY 2023-24; \$3.4 million in water Capital R&R and \$1.2 million in wastewater Capital R&R.

**Section 3. Use of Funds.** The capital funds received as a result of this ordinance must be placed in restricted funds and the funds must be used for the District’s Capital Improvement Program or related capital improvement debt issuances. Furthermore, the funds cannot be used for any other purpose without a 4/5<sup>th</sup> vote of the full Board of Directors of the District.

**PASSED AND ADOPTED** this 13th day of September 2023 by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

CALAVERAS COUNTY WATER DISTRICT

\_\_\_\_\_  
Scott Ratterman, President  
Board of Directors

**ATTEST:**

\_\_\_\_\_  
Rebecca Hitchcock  
Clerk to the Board

ORDINANCE NO. 2013-01

AN ORDINANCE OF CALAVERAS COUNTY WATER DISTRICT  
MODIFYING RATES FOR  
WATER AND WASTEWATER SERVICES

**WHEREAS**, the Board of Directors of the Calaveras County Water District (District) has responsibility for establishing rates for the provision of District services and corresponding implementation policies; and

**WHEREAS**, the District has prepared financial and policy information in respect to the provision of water and wastewater services over the next five years for review by the Board of Directors and the public, and caused to be prepared a *Water & Wastewater Rate Study* dated May 2013 that recommended adjustments to water and wastewater rate schedules; and

**WHEREAS**, the Board of Directors held fifteen public meetings starting in July 2012 on the need to increase water and wastewater rates, including Board meetings on March 13, March 27, April 10, April 24 and May 2, 2013, and held three Town Hall Meetings in various communities throughout the District between June 10 and June 26, 2013 regarding Water and Wastewater financial and rate issues; and

**WHEREAS**, the Board of Directors has received considerable community input during the public meetings and Town Hall Meetings and has considered this input in formulating the proposed rates; and

**WHEREAS**, the District has, in accordance with Article XIII D, Section 6 of the California State Constitution, provided written notices containing detailed descriptions of proposed water and wastewater rate changes for property owners who receive water and/or wastewater services from the District; and

**WHEREAS**, the Notice of Proposed Water and Wastewater Rate Increase, mailed May 24, 2013, included notification of a Public Hearing on July 10, 2013 to consider rate increases, said date having been established by Board action at its meeting of May 2, 2013; and

**WHEREAS**, the official noticed Public Hearing was held on Wednesday, July 10, 2013, and all public present were given an opportunity to comment on the proposed Ordinance; and

**WHEREAS**, written protests received in accordance with the procedures outlined in Article XIII D, Section 6 numbered less than half of the property owners served; and

**WHEREAS**, the Board of Directors finds that it is now necessary to modify existing rates relative to the provision of water and wastewater services.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the Calaveras County Water District as follows:

**Section 1. Purpose.** The purpose of this Ordinance is to increase water and wastewater rates as necessitated by the cost of providing water and wastewater services, including, but not limited to, operations and maintenance, debt service, the capital improvement program, and meeting financial reserve requirements.

**Section 2. Findings.** The Board of Directors finds and determines as follows:

- The water and wastewater service rates implemented by this ordinance, in conjunction with other estimated revenue sources, have been fixed in an amount sufficient to pay the operating and maintenance expenses of the District's water and wastewater systems, pay the principal and interest on existing debt, provide sufficient revenues for reserve requirements, and fund the renovation and replacement of the District's existing capital infrastructure.
- The increased water and wastewater rates are reasonably related to, and do not exceed, the District's cost of providing water and wastewater services.
- The revenues derived from the water rates do not exceed the funds required to provide water service, and are not used for any other purpose than in the provision of water services.
- The revenues derived from the wastewater rates do not exceed the funds required to provide wastewater services, and are not used for any other purpose than in the provision of wastewater services.
- The amount of the water and wastewater rates imposed on each water and wastewater service customer does not exceed the proportional cost of the water and/or wastewater service actually delivered or made available to every identified parcel of real property and/or customer within the District's service boundary.
- Every property subject to the rates established by this Ordinance actually uses the underlying service or the service is immediately available for that property's use.
- The District has, in accordance with Article XIID of the California State Constitution, provided written notices containing detailed descriptions of proposed water and wastewater rate changes to District property owners who receive service from the District and written protests presented to the District for the proposed rates did not exceed fifty percent (50%) of the property owners.
- The District conducted a duly noticed Public Hearing on July 10, 2013 concerning the proposed rate increases at which time the public had the opportunity to speak to the Board of Directors regarding the proposed increases and the Board of Directors considered the testimony received prior to making a final decision to implement the rate increases.

**Section 3. Water and Wastewater Rate Schedule.** The water and wastewater rates are established in accordance with the provisions of EXHIBIT 1 attached hereto and incorporated herein. The rates shown replace monthly water and wastewater charges established and adjusted by previous actions of the Board of Directors.

**Section 4. Effect on Existing Policies.** Any provision of any ordinance, resolution, fee, charge and/or other policy of the District in conflict with this Ordinance 2013-01 is hereby modified to the extent, and only to the extent, necessary to conform with the requirements provided 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 without modification.

**Section 5. Use of Additional Revenue.** Funds received as a result of a rate increase above the current rates as of July 10, 2013 must be placed in a restricted fund and the funds must be used to fund the renovation and replacement of the District's existing capital infrastructure. The funds in this account cannot be used for any other purpose without a 4/5<sup>th</sup> vote of the full Board of Directors of the District.

**Section 6. Effective Date.** Consistent with Water Code Section 31105, this Ordinance shall become effective September 1, 2013.

### **Section 7. Rates.**

The District's water and wastewater rates will be implemented as set forth in this Section.

1.1) **Monthly Water Rates – EXHIBIT 1, Schedule A** attached hereto shall be the basis for minimum water charges to customers receiving service.

1.1.1) **Base Rates – EXHIBIT 1, Table 1 of Schedule A** represents the monthly water base rate charged for sale of potable water through various meter sizes within the District service area.

1.1.1.1) **Effective Date** - The monthly water base rates shown in **EXHIBIT 1, Table 1 of Schedule A** shall become effective September 1 of each year as shown. The first base rate increase shall occur on September 1, 2013.

1.1.2) **Consumptive Rates – EXHIBIT 1, Table 2 of Schedule A** represents the tiered consumptive rates applied to average monthly water usage in cubic feet (**cf**) for various meter sizes. The usage charge is shown in dollars per hundred cubic feet (**\$/hcf**).

1.1.2.1) **Effective Date** - The tiered rates shown become effective September 1, 2013 and remain in effect until changed by subsequent Board action.

1.2) **Monthly Wastewater Rates – EXHIBIT 1, Schedule B** attached hereto represents the monthly wastewater flat rate charged for sanitary sewer service within the District service area.

1.2.1) The table in **EXHIBIT 1, Schedule B** represents the charge for a standard single family residential connection (also referred to in Board policy documents as a single family dwelling equivalent – sfde or equivalent single family unit - esfu).

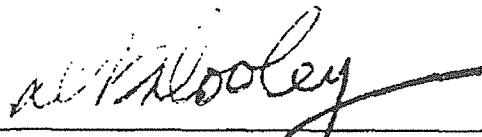
1.2.2) **Effective Date** - The monthly wastewater rates shown in **EXHIBIT 1, Schedule B** shall become effective September 1 of each year shown. The first rate increase shall occur on September 1, 2013.

1.3) **Future Rate Adjustments** - Within six months of September 1, 2018, the District will undertake a water and wastewater rate review.

**PASSED AND ADOPTED** this 10th day of July 2013, after a noticed Public Hearing by the following vote:

**AYES:** Directors Ratterman, Davidson, Stump and Dooley  
**NOES:** Director Dean  
**ABSTAIN:** None  
**ABSENT:** None

CALAVERAS COUNTY WATER DISTRICT

  
\_\_\_\_\_  
Dennis Dooley, President  
Board of Directors

**ATTEST:**

  
\_\_\_\_\_  
Mona Walker  
Clerk to the Board

# EXHIBIT 1

## Schedule A Monthly Water Rates

The water base rates shall be effective as indicated in Table 1 and shall include up to 500 cubic feet (cf) of water use per month for a 5/8" meter and include proportionately more water for larger meter sizes:

Table 1

### Monthly Water Base Rate Charges by Meter Size

Meter Size	Monthly Base Rate Charge				
	Sep 1, 2013	Sep 1, 2014	Sep 1, 2015	Sep 1, 2016	Sep 1, 2017
5/8"	\$49.38	\$56.78	\$61.89	\$61.89	\$61.89
3/4"	\$74.06	\$85.17	\$92.84	\$92.84	\$92.84
1"	\$123.44	\$141.95	\$154.73	\$154.73	\$154.73
1.5"	\$246.88	\$283.91	\$309.46	\$309.46	\$309.46
2"	\$395.00	\$454.25	\$495.13	\$495.13	\$495.13
3"	\$790.00	\$908.50	\$990.27	\$990.27	\$990.27
4"	\$1,234.38	\$1,419.53	\$1,547.29	\$1,547.29	\$1,547.29

In addition to the above Base Rate Charges, the Usage Rate Charges indicated in Table 2 shall apply for each 100 cubic feet of water used based on meter size.

Table 2

### Monthly Water Tiered Rate Charges by Meter Size (\$/hcf)

Tiered Rates per 100 cf by Fiscal Year (5/8" meter only)				
Fiscal Year	0 - 500 cf	501 - 3,000 cf	3,001 - 6,000 cf	Over 6,000 cf
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

Tiered Rates per 100 cf by Fiscal Year (3/4" meter only)				
Fiscal Year	0 - 750 cf	751 - 4,500 cf	4,501 - 9,000 cf	Over 9,000 cf
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

**Table 2 cont'd**

**Monthly Water Tiered Rate Charges by Meter Size (\$/hcf)**

<b>Tiered Rates per 100 cf by Fiscal Year (1.0" meter only)</b>				
<b>Fiscal Year</b>	<b>0 - 1,250 cf</b>	<b>1,251 - 7,500 cf</b>	<b>7,501 - 15,000 cf</b>	<b>Over 15,000 cf</b>
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

<b>Tiered Rates per 100 cf by Fiscal Year (1.5" meter only)</b>				
<b>Fiscal Year</b>	<b>0 - 2,500 cf</b>	<b>2,501 - 15,000 cf</b>	<b>15,001 - 30,000 cf</b>	<b>Over 30,000 cf</b>
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

<b>Tiered Rates per 100 cf by Fiscal Year (2.0" meter only)</b>				
<b>Fiscal Year</b>	<b>0 - 4,000 cf</b>	<b>4,001 - 24,000 cf</b>	<b>24,001 - 48,000 cf</b>	<b>Over 48,000 cf</b>
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

<b>Tiered Rates per 100 cf by Fiscal Year (3.0" meter only)</b>				
<b>Fiscal Year</b>	<b>0 - 8,000 cf</b>	<b>8,001 - 48,000 cf</b>	<b>48,001 - 96,000 cf</b>	<b>Over 96,000 cf</b>
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

<b>Tiered Rates per 100 cf by Fiscal Year (4.0" meter only)</b>				
<b>Fiscal Year</b>	<b>0 - 12,500 cf</b>	<b>12,501 - 75,000 cf</b>	<b>75,001 - 150,000 cf</b>	<b>Over 150,000 cf</b>
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

## Schedule B

The following wastewater rates shall be effective as indicated below:

### Monthly Wastewater Rates and Effective Dates of Rate Increases

Monthly Wastewater Rate				
Sep 1, 2013	Sep 1, 2014	Sep 1, 2015	Sep 1, 2016	Sep 1, 2017
\$77.63	\$86.16	\$90.00	\$90.00	\$90.00



#### **5.00.4 Capital Improvement Policy**

A twenty (20) year system master planning period will be utilized by the District with five (5) year updates. The capital improvement program will be developed separately for the Water and Wastewater utilities and will consider mandated capital, growth related capital and renewal and replacement capital. Growth-related capital projects shall be clearly identified.

- 5.00.4.01 The District will develop facilities master plans for capital improvements to be reviewed annually and updated every five (5) years or as prescribed by State Law. Future Capital expenditures will be projected annually during the budget process based on changes in the community population, real estate development, and replacement of the infrastructure or to meet regulatory mandates.
- 5.00.4.02 The district staff will construct all capital improvements in accordance with an adopted Capital Improvement Program.
- 5.00.4.03 All CIP projects have a three (3) year life cycle. If project completion takes longer than three years, the fund balance will need to be reauthorized by the Board or it will be removed.
- 5.00.4.04 The District will coordinate preparation of the Capital Improvement Budget with preparation of the Operating Budget. Future operating costs associated with new capital improvements will be projected and included in the Operating Budget forecasts.
- 5.00.4.05 The District prefers a “pay as you go” strategy whenever possible. When appropriate, capital improvements will be paid through current revenue/reserve sources rather than financing capital projects over a period of time.
- 5.00.4.06 The estimated cost of capital replacement will be consistent with the District’s asset management model to ensure that rates and charges incorporate the cost of asset replacement.
- 5.00.4.07 At a minimum, the District ~~should~~shall fund its annual capital improvement program, renewal and replacements including any capital improvement related debt issuances, at a level equal to the annual depreciation expense of the enterprise fund, water and wastewater Capital Renovation and Replacement (Capital R&R) revenues received in FY 2023-24; \$3.4 million in water Capital R&R and \$1.2 million in sewer Capital R&R. phased in over the next five year period.

- 5.00.4.08 The District staff will identify the estimated costs and potential funding sources for each proposed capital project before it is submitted to the Board for approval. If potential funding source is not available and Staff recommends a loan to fund the CIP Project, Staff will identify where the loan proceeds will come from prior to submitting to the Board for approval.
- 5.00.4.09 Changes or deviations from the approved Capital Improvement Program should be accounted for and reported directly to the Board before proceeding on the project. The report should include an analysis of long-term financial costs and the overall impact to the current Capital Improvement Program due to the change or deviation.
- 5.00.4.10 With Board approval, unexpended project appropriations will be carried forward as continuing appropriations to future fiscal years as required to complete the intent of the original budget.
- 5.00.4.11 The District shall attempt to determine the least costly financing method for all new projects.
- 5.00.4.12 The District will actively pursue grant and other outside funding sources for all capital improvement projects.

## **5.00.7 Rate Setting Policies**

When reviewing rates, it is important to use a methodology that is “generally accepted” in the financial and rate setting community as well as the water and wastewater utility industry. This will assure a legally defensible approach as well as consistency of the analysis over time.

### **Rate Setting Methodology**

#### 5.00.7.1 Revenue Requirements Analysis:

Revenue requirements will be established on a “cash basis” approach. The “cash basis” approach includes operation & maintenance (O&M) expenses, transfer payments, debt service (P&I), ARR and other capital improvements funded from rates. The revenue requirements, as defined herein, are the basic components. Revenue requirements should also include any other cost items requiring funding (e.g. bond reserves) or needed to operate the utility on a financially stable basis (e.g. accumulation or reduction in working capital).

- O&M expenses will incorporate the budgeted fiscal year costs.

- Debt Service requirements will incorporate appropriate debt schedules (include principal and interest). In addition, the revenue requirement will ensure sufficient funding to meet target debt service coverage ratios.
- Capital Improvements financed from Rates will be consistent with the District’s annual asset management program needs, including any capital improvement related debt issuances, needs or a minimum of annual depreciation expense, for the enterprise fund, and will be set at the level of water and wastewater Capital Renovation and Replacement (Capital R&R) revenues received in FY 2023-24; \$3.4 million in water Capital R&R and \$1.2 million in sewer Capital R&R. phased in over the next five year period.

5.00.7.1.2 At a minimum, revenues and costs will be projected for a five-year test period during the preparation of the annual budget.

5.00.7.1.3 Costs associated with mandated program requirements will be identified and included within the “cash basis” approach.