



RESOLUTION NO. 2023-56  
RESOLUTION NO. PFA-01  
ORDINANCE NO. 2023-02

## **AGENDA**

### OUR MISSION

Protect, enhance, and develop Calaveras County's water resources and watersheds to provide safe, reliable, and cost-effective services to our communities.

2021-2026 Strategic Plan, Adopted April 28, 2021, and can be viewed at this [link](#)

Regular Board Meeting  
Wednesday, October 25, 2023  
1:00 p.m.

[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:**

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### Microsoft Teams meeting

**Join on your computer or mobile app**

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 323-647-8603,,605388082#](#) United States,

Phone Conference ID: 605 388 082#

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 that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CCWD for review by the public.

### **ORDER OF BUSINESS**

#### **CALL TO ORDER / PLEDGE OF ALLEGIANCE**

##### **1. ROLL CALL**

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#### **BOARD OF DIRECTORS**

Scott Ratterman, President  
Cindy Secada, Director

Russ Thomas, Vice President  
Bertha Underhill, Director

Jeff Davidson, Director

**2. PUBLIC COMMENT**

**At this time, members of the public may address the Board on any non-agendized item. The public is encouraged to work through staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to three minutes per person.**

**3. CONSENT AGENDA**

3a Report on the Monthly Investment Transactions for September 2023  
(Jeffrey Meyer, Director of Administrative Services)

**4. PUBLIC HEARING**

4a Discussion/Action regarding Approval of the District’s Capital R&R Rate Ordinance and amending Financial Management Policy – No. 5.00, Budget and Fiscal Policies  
(Jeffrey Meyer, Director of Administrative Services)

- Approval of Designated Funding Levels for the Water and Wastewater Capital Improvement Program **ORD 2023-\_\_\_\_\_**
- Amendment of the District’s Financial Management Policy – No. 5.00, Budget and Fiscal Policies **RES 2023-\_\_\_\_\_**

**5. REPORTS**

5a\* General Manager’s Report  
(Michael Minkler)

**6. BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS**

**7. NEXT BOARD MEETINGS**

- Wednesday, November 15, 2023, 1:00 p.m., Special Board Meeting
- Wednesday, December 13, 2023, 1:00 p.m., Regular Board Meeting

**8. CLOSED SESSION**

8a Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9. 1 potential cases

8b Government Code § 54957.6 Agency Negotiators: General Manager Michael Minkler, HR Manager Stacey Lollar regarding Negotiations with Employee Organizations SEIU Local 1021 and Management and Confidential Unit

**9. REPORTABLE ACTION FROM CLOSED SESSION**

**10. ADJOURNMENT**



# CALAVERAS COUNTY WATER DISTRICT

## Board of Directors

District 1      Scott Ratterman  
District 2      Cindy Secada  
District 3      Bertha Underhill  
District 4      Russ Thomas  
District 5      Jeff Davidson

## Financial Services

Umpqua Bank  
US Bank  
Wells Fargo Bank

## CCWD Committees

\*Engineering Committee  
\*Finance Committee  
\*Legal Affairs Committee  
\*External Relations Committee

## Joint Power Authorities

ACWA / JPIA  
CCWD Public Financing Authority  
Calaveras-Amador Mokelumne River Authority (CAMRA)  
Calaveras Public Power Agency (CPPA)  
Eastern San Joaquin Groundwater Authority  
Tuolumne-Stanislaus Integrated Regional Water  
Management Joint Powers Authority (T-Stan JPA)  
Upper Mokelumne River Watershed Authority (UMRWA)

## Other Regional Organizations of Note

Calaveras County Parks and Recreation  
Committee  
Mountain Counties Water Resources  
Association (MCWRA)  
Mokelumne River Association (MRA)  
Tuolumne-Stanislaus Integrated Regional Water  
Mgt. JPA Watershed Advisory Committee (WAC)  
Eastern San Joaquin Groundwater Authority-Technical  
Advisory Committee

## Legal Counsel

Matthew Weber, Esq.  
Downey Brand, LLP

## Auditor

Richardson & Company, LLP

## Membership\*\*

Davidson / Thomas (alt. Secada)  
Secada / Ratterman (alt. Underhill)  
Ratterman / Davidson (alt. Thomas)  
Underhill / Thomas (alt. Secada)

Ratterman (alt. Michael Minkler)  
All Board Members  
Ratterman / Secada (alt. Michael Minkler)  
Michael Minkler (alt. Brad Arnold)  
Thomas (alt. Brad Arnold)  
Secada (alt. Thomas)  
Davidson (alt. Ratterman)

Thomas (alt. Ratterman)

All Board Members

All Board Members  
Brad Arnold (alt. Kelly Gerkenmeyer)

Brad Arnold (alt. Kelly Gerkenmeyer)

\* Standing committees, meetings of which require agendas & public notice 72 hours in advance of meeting.

\*\* The 1<sup>st</sup> name listed is the committee chairperson.

3a



A G E N D A  
I T E M



3a

# Agenda Item

DATE: October 25, 2023

TO: Michael Minkler, General Manager

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Report on the Monthly Investment Transactions for September 2023

## RECOMMENDED ACTION:

For information only.

## SUMMARY:

Per the District's Investment Policy, staff will report the monthly investment activity for the preceding month. During September 2023, the following investment transactions occurred:

<b>Chandler Asset Management Activity:</b>	<b>General</b>	<b>Water CIP Loan</b>	<b>Sewer CIP Loan</b>
<b>Book Value at 08/31/2023</b>	<b>20,240,469.68</b>	<b>19,497,673.36</b>	<b>7,286,139.75</b>
Security Purchases	891,989.38	-	-
Money Market Fund Purchases	84,450.93	81,775.50	33,488.98
Money Market Contributions	-	-	-
Security Sales	(826,168.59)	-	-
Money Market Fund Sales	(66,167.77)	-	-
Maturities	-	-	-
Principal Paydown	(64,128.69)	-	-
Money Market Fund Withdrawals	(8.55)	(144,533.31)	(517.81)
Amortization/Accretion	(873.33)	-	-
Gain/Loss on Dispositions	(32,245.83)	-	-
<b>Book Value at 09/30/2023</b>	<b>20,227,317.23</b>	<b>19,434,915.55</b>	<b>7,319,110.92</b>
<b>Local Agency Investment Fund Activity:</b>			
<b>Balance at 08/31/2023</b>	<b>11,229,460.16</b>		
<b>Withdrawals, Operating Cash</b>	<b>(1,700,000.00)</b>		
<b>Interest</b>			
<b>Balance at 09/30/2023</b>	<b>9,529,460.16</b>		

LAIF (Local Agency Investment Fund) daily interest rates are 3.48% as of September 30, 2023.

**CALAVERAS COUNTY WATER DISTRICT  
INVESTMENT ACTIVITY  
FOR THE MONTH ENDING September 30, 2023**

INVESTMENT TRUSTEE	TYPE OF FUNDS/Availability	MARKET VALUE	INVESTMENT COST			DATE INVST	CM INTEREST AND DIVIDEND RECVD
			COST	PAR (PRINC)	CPN RATE		
Local Agency Investment Fund	Restricted for Reserves/Special Projects	9,529,460.16	9,529,460.16	9,529,460.16	3.420%	ongoing	-
Chandler Asset Management	Restricted/Reserves/Expansion/AD/R&R	19,074,960.57	20,227,317.23	20,303,217.64	1.960%	ongoing	(13,152.45)
Chandler Asset Management - Water Loan	Committed to Specific CIP Projects	19,434,915.55	19,434,915.55	19,434,915.55	4.940%	ongoing	80,511.07
Chandler Asset Management - Sewer Loan	Committed to Specific CIP Projects	7,319,110.92	7,319,110.92	7,319,110.92	4.940%	ongoing	32,971.17
<b>Totals</b>		<b>55,358,447.20</b>	<b>56,510,803.86</b>	<b>56,586,704.27</b>			<b>100,329.79</b>

**MONTHLY ACTIVITY**

Chandler Asset Management Activity:	General	Water CIP Loan	Sewer CIP Loan
<b>Book Value at 08/31/2023</b>	<b>20,240,469.68</b>	<b>19,497,673.36</b>	<b>7,286,139.75</b>
Security Purchases	891,989.38	-	-
Money Market Fund Purchases	84,450.93	81,775.50	33,488.98
Money Market Contributions	-	-	-
Security Sales	(826,168.59)	-	-
Money Market Fund Sales	(66,167.77)	-	-
Maturities	-	-	-
Principal Paydown	(64,128.69)	-	-
Money Market Fund Withdrawals	(8.55)	(144,533.31)	(517.81)
Amortization/Accretion	(873.33)	-	-
Gain/Loss on Dispositions	(32,245.83)	-	-
<b>Book Value at 09/30/2023</b>	<b>20,227,317.23</b>	<b>19,434,915.55</b>	<b>7,319,110.92</b>
<b>Local Agency Investment Fund Activity:</b>			
<b>Balance at 08/31/2023</b>	<b>11,229,460.16</b>		
Withdrawals, Operating Cash	(1,700,000.00)		
Interest			
<b>Balance at 09/30/2023</b>	<b>9,529,460.16</b>		

**CALAVERAS COUNTY WATER DISTRICT  
CHANDLER ASSET MANAGEMENT (General)**

**FOR THE MONTH ENDED September 30, 2023**

INVESTMENT TRUSTEE/TYPE	MARKET VALUE	INVESTMENT COST			Dividends Earned	Interest Earned
		BOOK	PAR Value/Units	CPN RATE		
Asset Backed Security	676,746.47	695,206.81	695,235.10	1.31%		808.10
Agency Securities	2,380,600.00	2,504,823.90	2,500,000.00	2.44%		750.00
CMO	936,635.97	973,986.87	990,000.00	3.74%		
Corporate Securities	4,657,229.37	4,879,858.97	4,870,000.00	2.44%		11,317.50
Money Market Fund (Cash)	77,982.54	77,982.54	77,982.54	4.94%	552.56	
Supernational Securities	1,040,213.17	1,120,079.59	1,120,000.00	0.65%		3,644.08
US Treasury	9,305,553.05	9,975,378.55	10,050,000.00	1.59%		3,250.00
<b>Totals</b>	<b>19,074,960.57</b>	<b>20,227,317.23</b>	<b>20,303,217.64</b>	<b>1.95%</b>	<b>552.56</b>	<b>19,769.68</b>

4a



AGENDA  
ITEM

4a



# Agenda Item

DATE: October 25, 2023

TO: Michael Minkler, General Manager

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Approving the District's Capital R&R Rate Ordinance and amending Financial Management Policy – No. 5.00, Budget and Fiscal Policies

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## RECOMMENDED ACTION:

Motion \_\_\_\_\_/\_\_\_\_\_ adopting Ordinance 2023-02 District's Capital R&R Rate Ordinance.

Motion \_\_\_\_\_/\_\_\_\_\_ adopting Resolution 2023 - \_\_\_\_\_ Amending the District's 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.”

The recently approved Rate Study separated 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 and August 15, 2023, and the Board on September 27, 2023.

Upon review of the proposed ordinance and policies, the Board was concerned about escalating construction costs and requested that the base funding allocations of \$3.4 million in water capital funding and \$1.3 million in wastewater capital funding be adjusted annually by the Engineering News Review (ENR) building cost index to account for future construction cost increases. The attached proposed ordinance and policy changes reflect those comments.

## **FINANCIAL CONSIDERATIONS:**

None at this time.

*Attachments: Ordinance 2023-02, an Ordinance of the Calaveras County Water District Designating Funding Levels for the Water and Wastewater Capital Improvement Programs*  
*Resolution 2023- , Amending the District Financial Management Policy No. 5.00 – Budget and Fiscal Policies, Section 5.00.4, Capital Improvement Policies, and Section 5.00.7, Rate Setting Policies*  
- *Ordinance 2013-01, an Ordinance of the Calaveras County Water District Modifying Rates for Water Policies and Wastewater*  
- *Draft amendments (redline) to District Financial Management Policy No. 5.00 – Budget and Fiscal Policies, Section 5.00.4, Capital Improvement Policies, and Section 5.00.7, Rate Setting 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, adjusted annually based on the Engineering News Review (ENR) building cost index to account for future construction cost increases; and

**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 \$1.3 million in wastewater Capital R&R, adjusted annually based on the Engineering News Review (ENR) building cost index to account for future construction cost increases.

**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 25th day of October 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

**RESOLUTION 2023 –**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CALAVERAS COUNTY WATER DISTRICT**

**AMENDING DISTRICT FINANCIAL MANAGEMENT  
POLICY NO. 5.00 – BUDGET AND FISCAL POLICIES**

**WHEREAS**, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted the Financial Management Policy 5.00, Budget and Fiscal Policies by Resolution No. 2008-09 on January 30, 2008, which policy has been amended in part or in its entirety since that time, and

**WHEREAS**, the Board most recently adopted Financial Management Policy No. 5.00 – Budget and Fiscal Policies by Resolution No 2019-04 on January 23, 2019; and

**WHEREAS**, the recently approved water and wastewater rate plan separated the Capital Renovation and Replacement (Capital R&R) funding requirements from the water and wastewater rate structure; and

**WHEREAS**, a thorough review by the Director of Administrative Services, the Finance Committee and the Board of Directors caused several changes to the policy.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT does hereby amend Financial Management Policy No. 5.00 – Budget and Fiscal Policies, adopted by Resolution 2019-04, as attached hereto and made a part hereof, to be effective October 16, 2023.

**PASSED AND ADOPTED** this 25th day of October, 2023 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

CALAVERAS COUNTY WATER DISTRICT

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Scott Ratterman, President  
Board of Directors

**ATTEST:**

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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).

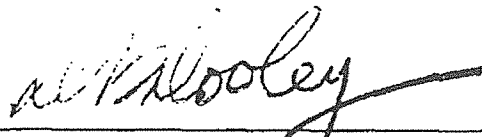
1.2.2) **Effective Date** - The monthly wastewater rates shown in **EXHIBIT 1, Schedule B** shall become effective September 1 of each year shown. The first rate increase shall occur on September 1, 2013.

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 \$1.3 million in wastewater Capital R&R adjusted annually based on the Engineering News Review (ENR) building cost index to account for future construction cost increases. 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 \$1.3 million in wastewater Capital R&R, adjusted annually based on the Engineering News Review (ENR) building cost index to account for future construction cost increases. 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.