



AGENDA
RIO DELL CITY COUNCIL
REGULAR MEETING – 6:30 P.M.
TUESDAY, DECEMBER 1, 2015
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE, RIO DELL

WELCOME . . . By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

THE TYPE OF COUNCIL BUSINESS IS IDENTIFIED IMMEDIATELY AFTER EACH TITLE IN BOLD CAPITAL LETTERS

- A. CALL TO ORDER
- B. ROLL CALL
- C. PLEDGE OF ALLEGIANCE
- D. CEREMONIAL MATTERS
- E. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Councilmembers present that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

F. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Council members if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually in the next section, "SPECIAL CALL ITEMS".

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

H. SPECIAL PRESENTATIONS/STUDY SESSIONS/PUBLIC HEARINGS

- 1) 2015/1201.01- Public Hearing on Proposed Water Rate Increase Pursuant to Proposition 218 including tabulation of protest ballots and possible adoption of Resolution No. 1281-2015 Establishing Water Rates and Charges
(DISCUSSION/POSSIBLE ACTION)

I. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

J. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

K. REPORTS/STAFF COMMUNICATIONS

1. City Manager
2. Chief of Police
3. Finance Director
4. Community Development Director

L. COUNCIL REPORTS/COMMUNICATIONS

M. ADJOURNMENT

*The next regular meeting will be on December 15, 2015
at 6:30 p.m. in City Hall Council Chambers*

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*



December 1, 2015

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Public Hearing on Proposed Water Rate Increase Pursuant to Proposition 218 and Related Adoption of Resolution 1281-2015

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Receive a short presentation and overview from the City Manager.
2. Open the Proposition 218 public hearing on the proposed water rate increase set forth in Resolution 1281-2015, having been noticed more than 45 days ago and sent to all property owners and residential occupants in the City of Rio Dell, and
3. Take public comment and advise the public that protest ballots must be submitted prior to the close of the public hearing.
4. Close the public hearing.
5. Direct the City Clerk to tabulate all protests received, including those received during the public hearing, and report the results of the tabulation to the City Council; further directing the City Clerk to prepare a master parcel list for publication.
 - 5a. Current time estimates for protest tabulation are 5-7 hours. The Council may continue the meeting to another day and time, but must announce that day and time.
6. If a protest is made by the majority of parcels (589 + 1) of property subject to the fee adjustments, the City should stop further proceedings of the proposed water fee adjustments, in compliance with Proposition 218, and direct staff to return with alternative means of funding the necessary water related capital projects, maintenance and operational costs.
7. If a protest is not made by the majority of parcels of property subject to the fee adjustments, proceed with the adoption of Resolution 1281-2015 with the new water rates taking effect on January 1, 2016.

BACKGROUND AND DISCUSSION

This item concludes a required 45 day public noticing process associated with the proposed adjustment in water rates. The water rates were last set by the council in 2005 and while the rates included revenue to cover debt payments for past infrastructure enhancements, they did not include adequate set asides for future capital replacement. The Water Fund has run a deficit for the last four years, and the city is not complying with the funding agreement it signed with the State of California for a 0% interest loan it received in 2005. The balance in the water fund on June 30, 2016 is projected to be at or near \$0.00

On August 4, 2015 following a presentation from staff and consultants from the Rural Community Assistance Corporation (RCAC) and the City's Engineer the City Council held a goal setting session for the water department. The Council was given numerous 5-year planning scenarios. The Council ultimately opted for a scenario that aimed to set aside a 20% grant match over five years on a portion of the capital needs of the system. Additionally the plan corrected an ongoing deficit within the water fund and restored required reserve levels over that five year period. The plan also included measures to separate the water system by pressure zone, setting a separate rate for those connections in the "Dinsmore Zone."

On August 18, 2015 the Council considered various rate option scenarios. These scenarios ranged from a billing system based solely on volumetric use, to a fixed cost system equally divided between the number of users, regardless of water consumption.

On September 1, 2015 the City Council met to discuss the upcoming town hall study session.

On September 8, 2015 the City held a public town hall study session at the multi-purpose room at Monument Middle School.

The Council met again on September 22, 2015 and adopted a 25/75 rate split option – 25% variable and 75% fixed. This scenario most closely mirrored the current split on water rate billing.

On October 6, 2015 the City Council clarified some conditions for the rates and set a phase-in schedule over two years. A public hearing date of December 1, 2015 was set.

On October 9, 2015 the required Proposition 218 compliant Public Notices were mailed, effectively beginning the noticing period. Since this date staff has received numerous protest mailings and submissions.

Attachments:

Resolution 1271-2015 Protest Hearing Procedures
Copy of October 9, 2015 Notice of Public Hearing
Resolution 1281-2015: Establishes New Water Fees and Charges
Resolution 1217-2014: the currently enacted water rate resolution.

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RESOLUTION 1271-2015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL ESTABLISHING PROCEDURES FOR THE CONDUCT OF PROTEST HEARINGS PURSUANT TO PROPOSITION 218 FOR NEW OR INCREASED PROPRTY RELATED FEES AND CHARGES

WHEREAS, the City of Rio Dell provides water services and seeks to adjust water service rates; and

WHEREAS, California law regulates the process by which fees for water services are set and those processes are prescribed for in State law; and

WHEREAS, Article XIII D of the California Constitution requires that cities meet certain procedural and substantive requirements when adopting a new or increased property related fees or charges, and the proposition 218 Omnibus Implementation Act (Government Code 53750 and following), as amended, provides additional guidance as to the procedures to be followed; and

WHEREAS, in order to comply with those procedures and conduct fair and accurate protest hearings, the City Council wishes to adopt local procedures;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Rio Dell as follows:

SECTION 1. The City Council hereby declares its intent, in adopting this resolution, to adopt procedures that are consistent with, and in compliance with, Article XIII D of the California Constitution and the Proposition 218 Omnibus Implementation Act.

SECTION 2. The City Council hereby approves the "Procedures for the Submissions and Tabulation of Protest Votes" as set forth in this Resolution and a part of it.

SECTION 3. The language of the "Procedures for the Submissions and Tabulation of Protest Votes" is as follows:

PROCEDURES FOR THE SUBMISSION AND TABULATION OF PROTEST VOTES

DEFINITIONS

Unless the context plainly indicates another meaning was intended, the following definitions shall apply in construction of these Guidelines:

1. "Parcel" means a County Assessor's parcel the owner or occupant of which is subject to the proposed charge that is the subject of the hearing.
2. "Record customer" and "customer of record" mean the person or persons whose name or names appear on the City's records as the person who has contracted for, and is obligated to pay for, utility services to a particular utility account.
3. "Record owner" or "parcel owner" means the person or persons whose name or names appear on the County Assessor's latest equalized assessment roll as the owner of a parcel
4. A "fee protest proceeding" is not an election, but the City Clerk will maintain the confidentiality of protests as provided below and will maintain the security and integrity of protests at all times.

NOTICE OF PROPOSED RATES AND PUBLIC HEARING

1. Notice Delivery
 - a. The City shall give notice of proposed charges via U.S. Mail to all record owners and customers of record served by the District
 - b. The City will post the notice of proposed charges and public hearing at its official posting site.

SUBMISSION OF PROTEST

1. Protest submittal
 - a. Any record owner or customer of record who is subject to the proposed utility charge which is the subject of the hearing may submit a written protest to the City Clerk by
 - i. Delivery to the City Clerk's Office 675 Wildwood Ave., Rio Dell, CA
 - ii. Mail to the City of Rio Dell – RATE PROTEST, 675 Wildwood Ave., Rio Dell, CA
 - iii. Personally submitting the protest at the public hearing
 - b. Protests must be received by the end of the public hearing, including those mailed to the City. No postmarks will be accepted; therefore, any protest not

actually received by the close of the hearing, whether or not mailed prior to the hearing, shall not be counted.

- c. Emailed, faxed, and photocopied protests shall not be counted.
- d. Although oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest, the City Council welcomes input from the community during the public hearing on the proposed charges.

2. Protest Requirements

- a. A written protest must include:
 - i. A statement that it is a protest against the proposed change which is the subject of the hearing
 - ii. Name of record owner or customer of record
 - iii. Identity of the affected parcel by assessor's parcel number or service address
 - iv. Original signature of the record owner or customer of record with respect to the identified parcel
- b. Protests shall not be counted if any of the required elements (I through IV) outlined in the preceding subsection "a" are omitted

3. Protest Withdrawal

- a. Any person who submits a protest may withdraw that protest by submitting to the City Clerk a written request that the protest be withdrawn. The withdrawal of a protest shall contain sufficient information to identify the affected parcel and the name of the record owner or customer of record who submitted both the protest and the request that it be withdrawn.

4. Multiple Record Owners or Customer of Record

- a. Each record owner or customer of record of a parcel served by the City may submit a protest. This includes instances where
 - i. A parcel is owned by more than a single record owner or more than one name appears on the City's records as the customer of record for the parcel, or
 - ii. A customer of record is not the record owner, or
 - iii. A parcel includes more than one record customer, or
 - iv. Multiple parcels are served via a single utility account, as master-metered multiple family residential units
- b. Only one protest will be counted per parcel as provided by Government Code Section 53755(b)

5. Transparency, Confidentiality, and Disclosure
 - a. To ensure transparency and accountability in the fee protest tabulation while protecting the privacy rights of record owners and customer of record, protests will be maintained in confidence until tabulation begins following the public hearing
 - b. Once a protest is opened during the tabulation, it becomes a disclosable public record, as required by state law.

TABULATION OF PROTESTS

1. City Clerk
 - a. The City clerk shall not accept as valid any protest if he or she determines that any of the following is true:
 - i. The protest does not state its opposition to the proposed charges
 - ii. The protest does not name the record owner or record customer of the parcel identified in the protest as of the date of the public hearing
 - iii. The protest does not identify a parcel served by the City which is subject to the proposed charge
 - iv. The protest does not bear an original signature of the named record owner or record customer with respect to the parcel identified on the protest. Whether a signature is valid shall be entrusted to the reasonable judgment of the City Clerk, who may consult signatures on file with the County Elections Official and/or the City
 - v. The protest was altered in a way that raises a fair question as to whether the protest actually expresses the intent of a record owner or a customer of record to protest the charges
 - vi. The protest was not received by the City Clerk before the close of the public hearing on the proposed charges
 - vii. A request to withdraw the protest was received prior to the close of the public hearing on the proposed charges
2. City Clerk's Decision is Final
 - a. The City Clerk's decision that a protest is not valid shall constitute a final action of the City and shall not be subject to any internal appeal.
3. Majority Protest
 - a. A majority protest exists if written protest are timely submitted and not withdrawn by the record owners or customers of record with respect to a majority (50% + 1) of the parcels subject to the proposed charge.
 - b. While the district may inform the public of a number of parcels served by the District when a notice of proposed rates is mailed, the number of parcels with

active customer accounts served by the District on the date of the hearing shall control in determining whether a majority protest exists

4. Tabulation of protests

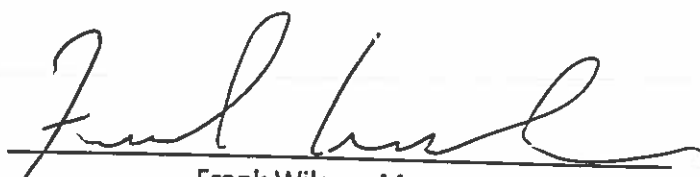
- a. At the conclusion of the public hearing, the City Clerk shall tabulate all protests received; including those received during the public hearing, and shall report the results of the tabulation to the City Council. If the total number of protests received is insufficient to constitute a majority protest, the City Clerk may determine the absence of a majority protest without validating the protests received, but may instead deem them all valid without further examination.

5. Report of Tabulation

- a. If at the conclusion of the public hearing the City Clerk determines that he or she will require additional time to tabulate the protests, he or she shall so advise the City Council, which may adjourn the meeting to allow the tabulation to be completed on another day or days. If so, the City Council shall declare the time and place of tabulation, which shall be conducted in a place where interested members of the public may observe the tabulation, and the City Council shall declare the time at which the meeting shall be resumed to receive and act on the tabulation report of the City Clerk
- b. The City Clerk shall prepare, or cause to be prepared, a Master Parcel List identifying each parcel subject to the new or increased fee and also representing any protest vote for that parcel.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Rio Dell in the County of Humboldt, State of California, on the 6th day of October, 2015 by the following vote:

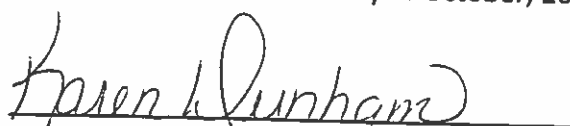
AYES:
NOES:
ABSENT:
ABSTAIN:



 Frank Wilson, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify that the above and foregoing to be a full, true and correct copy of Resolution 1271-2015 adopted by the City of Rio Dell on the 6th day of October, 2015.



 Karen Dunham, City Clerk, City of Rio Dell

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)



**NOTICE OF PUBLIC HEARING
ON PROPOSED NEW/INCREASED WATER RATES**

- WHEN:** December 1, 2015 @ 5:30pm
- WHERE:** Rio Dell City Hall Chambers
675 Wildwood Avenue
Rio Dell, California 95562
- PURPOSE:** To receive public comment on a proposal for the City Council to consider adopting new/increased water rates. If approved, the new/increased rates will begin appearing on utility bills arriving in January of 2016. At the public hearing, the City Council will accept oral testimony as well as written protests regarding the water rates.

Notice is hereby given that at the date, time and place shown above, the City Council of the City of Rio Dell will hold a public hearing to consider a proposed increase to the rates the City charges water customers. The funds for these rates provide water service that includes operating costs, capital costs and debt service payments. The customer's water bill is calculated using a monthly base rate and an additional unit charge based on the amount of water used, as shown on Table 1. Water charges are billed monthly.

If approved by the City Council, the rate increase will be reflected on bills arriving in January of 2016 to the amounts shown in Table 1 and will increase in January of 2017 as shown in Table 1. Annual increases thereafter are a result of automatic inflation adjustments in place since 2005.

How do I protest this Increase?

Written protests to the proposed rates may be submitted by Water Customers or Property Owners before the closing of the public hearing. Written protests will be accepted and tabulated according to procedures that the City Council adopted on October 6, 2015. Pursuant to California Government Code Section 53755(b), only one written protest will be counted per parcel. If protests are received from property owners or customers in an amount exceeding 50% of the parcels served by the City's water utility, then the City Council cannot approve the proposed rate increase.

To be included in the protest count, the protest letter must:

- INCLUDE A LEGIBLE NAME AND BE SIGNED; AND
- INCLUDE THE ADDRESS OF THE OWNER OR CUSTOMER SUBMITTING THE PROTEST; AND
- BE RECEIVED (BY MAIL OR HAND DELIVERY) BEFORE THE END OF THE PUBLIC HEARING ON DECEMBER 1, 2015; AND

- STATE THAT THE OWNER OR CUSTOMER PROTESTS THE PROPOSED WATER RATE INCREASE;
AND
- OTHERWISE COMPLY WITH THE CITY'S ADOPTED PROTEST PROCEDURES

Written protests must be submitted by the close of the hearing on December 1, 2015 or mailed to the following address:

City of Rio Dell Water Rate Protest
675 Wildwood Avenue
Rio Dell, California 95562

If you have any questions about this notice of the proposed water rate increases please contact Brooke Woodcox at 707.764.3532, or by email bwoodcox@riodellcity.com.

What are the proposed rates?

The table below shows the water increase rate schedule.

City of Rio Dell
WATER RATE INCREASE SCHEDULE
TABLE 1

CURRENT RATES		PROPOSED RATES						
FY 2015-2016			Jan. 1	Jan. 1	Jan. 1	Jan. 1	Jan. 1	
THRU 12/31/15			2016	2017	2018	2019	2020	
→	BASE RATE In City	27.84	BASE	40.06	46.63	47.57	48.50	49.48
	BASE RATE Out City	41.79	BASE CHARGE IS THE SAME FOR ALL ZONES					
COST PER UNIT OF WATER USED. One unit of water is equal to 100 cubic feet or 748 gallons.								
→	Unit 1	-	UNIT	2.61	3.04	3.10	3.17	3.23
	Unit 2-9	2.51	UNIT CHARGE IS THE SAME FOR ALL ZONES AND TIERS					
	Unit 10 +	3.78						
	Unit 2-9 Out City	3.78						
	Unit 10 + Out City	5.67						
→	Dinsmore Zone	-	CHARGE	39.13	65.21	65.36	65.51	65.66

How do you calculate the new rate?

The effect of the new rates on your water bill will depend on how much water you use and where you live. There are about 29 water customers who will be charged the additional "Dinsmore Zone" surcharge in addition to the regular rate. To see if the Dinsmore Zone Surcharge is applicable to you, see the list of Dinsmore customers on page 6.

Otherwise the new rates will be based on the following monthly formula:

$$\text{Base Rate} + (\# \text{ of Units Used} \times \text{Rate Per Unit})$$

Example 1: "I checked and I do not live in the Dinsmore Zone. I live on Second Avenue and use two (2) units of water each month:"

$$\begin{aligned} &\text{Base Rate} + (\# \text{ of Units Used} \times \text{Rate Per Unit}) \\ &40.06 + (2 \times 2.61) = \$45.28 \text{ per month} \end{aligned}$$

Example 2: "I checked and I live in the Dinsmore Zone. I live on Monument road up the hill about 2 miles and use five (5) units of water each month."

$$\begin{aligned} &\text{Dinsmore Surcharge} + \text{Base Rate} + (\# \text{ of Units Used} \times \text{Rate Per Unit}) \\ &\$39.13 + 40.06 + (5 \times 2.61) = \$92.24 \text{ per month} \end{aligned}$$

Why am I receiving this Notice?

You are receiving this notice because our records indicate that you are listed as an account holder and/or as the owner of a parcel receiving water service from the City of Rio Dell. The purpose of this notice is to give you information about proposed new/increased water rates and how you can participate in the rate setting process.

Rate History

The last major change to the water rates occurred in 2005. At that point in time major upgrades were underway to increase water quality by moving the source of the City's water to the Eel River and also building a new filtration plant. The City incurred 0% interest loans from the State of California to pay for these upgrades. While the 2005 rate adjustment took into account these new debt payments, they did not set aside funds for the replacement of other components of the system.

Since the 2005 water rate adjustment, the City has been largely unsuccessful in securing grant dollars to fund replacement of the distribution (piping) system. Other components are aging and will eventually need to be replaced. Water Tanks, meters, filtration systems and other components all eventually need to be replaced. Instead of building up capital replacement dollars over the past ten years, the city has gone in the opposite direction. There has been a deficit in the water funds for each of the past four years and the fund balance by the end of this year is projected to be zero. The City has been warned by both the Federal and State governments that revenues into the water fund are insufficient to meet the long-term needs of the system.

The City of Rio Dell works each day with increasingly limited resources to ensure that the residents and businesses receive clean, safe, and reliable water service. To do this, the system must be maintained to all required standards.

New Water Rate Structure Methodology

The City was able to save upward of \$30,000 in consulting fees for this rate adjustment study by using experts from the Rural Community Assistance Corporation (RCAC) who recommended these changes to the fee structure at no cost to the City.

Since the passage of Proposition 218 in 1996, there have been major changes in how cities are allowed to set rates for water services. To comply with State law, this proposed rate adjustment means that everyone will be charged for strictly the cost of the water services provided to you. By law, your water rates can only be used to cover the cost of providing this service. Therefore, the new rate structure eliminates the "free unit" included in the base charge of your current water bill. The new rate also divides the water system into pressure zones to avoid any subsidy of rural water users by the urban core of the City. (See Dinsmore Zone, page 6)

On August 4, 2015 the City Council discussed long-term goals for the water system. The Council eventually adopted a measured plan to accumulate 20% of the cost of repairing several high priority items within the water system. Under this scenario, the Council is hoping to use these funds to help acquire state or federal grant dollars to cover the remaining 80% of costs. The City Council unanimously adopted a revenue plan that called for \$1,105,151 in annual funding to achieve this plan.

Many costs of the water system are fixed; they do not change with the changes in water usage. Under the current proposal, 75% of the water system's revenue will be a fixed monthly charge, and 25% will be based off of volume; the amount of water you use. All volumetric charges will be assigned a fixed dollar amount based on units of water (748 gallons equal one unit). This 75%/25% split under the proposed water rates resembles the current way the rate is divided.

Addition of Metropolitan Wells Costs

Since 2014, the City has been pursuing an emergency water supply at the old well site in Metropolitan. The project has received large allocations of state and federal dollars and is currently scheduled for completion in 2016. The new rates will include funds to maintain this new piece of infrastructure for use during emergency events or high river turbidity. Initial operating costs are expected to be around \$13,550 in the first year.

Automatic Adjustments to Water Rates

Current water rates are adjusted 3% annually to cover the costs associated with inflation. Under the new proposal, only the rates associated with operations and the Metropolitan Well Site will be adjusted 3% annually for inflation. Debt service and capital funds will not be used to calculate the annual increase for inflation since these costs are typically not associated with inflationary pressures. The Council must readopt any inflationary increase at least once every five years.

Next Page

How Will Our Water Rates Compare with Other Communities in the Area?

COMPARISON BY CITY - CURRENT RATE			
	Base	5 Units	Total Bill
1 McKinleyville	15.80	5.80	21.60
2 Fortuna	23.04	Included	23.04
3 Redway	20.00	9.23	29.23
4 Blue Lake	25.01	8.91	33.92
5 Rio Dell	27.84	10.04	37.88
6 Cloverdale	20.50	18.30	38.80
7 Eureka	35.10	10.30	45.40
8 Ukiah	32.25	13.65	45.90
9 Ferndale	22.30	24.05	46.35
10 Willits	26.46	25.26	51.72
11 Healdsburg	38.02	22.45	60.47
12 Arcata	47.00	15.15	62.15
13 Trinidad	42.67	20.85	63.52
14 Garberville	60.22	3.50	63.72
15 Brooktrails-N of Willits	109.19	10.75	119.94

COMPARISON BY CITY - PROPOSED RATE			
	Base	5 Units	Total Bill
1 McKinleyville	15.80	5.80	21.60
2 Fortuna	23.04	Included	23.04
3 Redway	20.00	9.23	29.23
4 Blue Lake	25.01	8.91	33.92
5 Cloverdale	20.50	18.30	38.80
6 Eureka	35.10	10.30	45.40
7 Ukiah	32.25	13.65	45.90
8 Ferndale	22.30	24.05	46.35
9 Willits	26.46	25.26	51.72
10 Rio Dell	40.06	13.05	53.11
11 Healdsburg	38.02	22.45	60.47
12 Arcata	47.00	15.15	62.15
13 Trinidad	42.67	20.85	63.52
14 Garberville	60.22	3.50	63.72
15 Brooktrails-N of Willits	109.19	10.75	119.94

40% Inc.
(75/25 Split)

How Quickly will the Rates be Established?


The City Council has directed that the new rates be phased in over time. The first increase would be received by customers in January 2016 for the December 2015 billing period. This would raise rates 60% of the way towards the new goal. One year after this initial rate increase, the rate would be raised to the full amount.

The New Dinsmore Zone Surcharge

The new rates also include major changes for customers on the western and southwestern areas of the water system. Currently, all customers outside of City limits are charged an additional 50% to receive water. The new rate eliminates this system and replaces it with a structure based on actual projected costs. The water system is divided into two major pressure zones. The "Main Zone" is fed and pressurized by the Douglas and Painter street tanks. The "Dinsmore Zone" is pressurized by the Dinsmore Tank which is fed by the Main Zone water supply. In order to lower the costs of providing

water to the Main Zone customers, this current rate proposal separates the Dinsmore Zone from the Main Zone, and adds a separate surcharge for Dinsmore Zone customers. This Dinsmore Surcharge is dedicated to the maintenance of the Dinsmore Zone.

Currently, there are 29 Dinsmore Zone customers. To see if you are subject to the Dinsmore Zone surcharge, see the below list of Dinsmore Zone Customers to see if either your name, address or subdivision water district is listed.

City of Rio Dell		
Public Works - Water		
DINSMORE ZONE CUSTOMERS, August 18, 2015		
CUSTOMER NAME	LOCATION	In/Out of City Limits
DELGADO, PEDRO	622 MONUMENT RD	IN
WATERS, A. DUNN & N.	624 MONUMENT RD	IN
GILBERT, JAMIE	628 MONUMENT RD	IN
STADTER, LINDA M	926 MONUMENT RD	OUT
BATTAGLIA, KAREN	1020 MONUMENT RD	OUT
FLEMING, JOHN	1042 MONUMENT RD	OUT
ANDERSON, MELVIN J.	1054 MONUMENT RD	OUT
PEAVEY(1), BARBARA	1110 MONUMENT RD	OUT
HARRISON, STEPHEN	1118 MONUMENT RD	OUT
YAPLE, ARYN	1154 MONUMENT RD	OUT
CHANG, DAVID & BEVERLY	1172 MONUMENT RD	OUT
MEGAZZI, MIKE	1180 MONUMENT RD	OUT
MOORE, MYRNA	1208 MONUMENT RD	OUT
CROZIER, DENNIS	1264 MONUMENT RD	OUT
TATUM, BONNIE	1330 MONUMENT RD	OUT
BROWNELL, GARY	1390 MONUMENT RD	OUT
STURDEVANT, SETH	1401 MONUMENT RD	OUT
COLOSIO, JANELLE & MARK	1412 MONUMENT RD	OUT
CIDONI, LINDA	1555 MONUMENT RD	OUT
BRAVO, LARRY	1600 MONUMENT RD	OUT
LOMMORI, MIKE	1615 MONUMENT RD	OUT
MONUMENT SUB. WATER DIST.	1789 MONUMENT RD (4 TOTAL LOCATIONS ON THIS METER)	OUT
HAGEMANN, DAVID	2020 MONUMENT RD	OUT
MELCHOR, CAGUANA	720 DINSMORE RANCH ROAD	IN
DENNING, JOEL	1150 DINSMORE RANCH ROAD	IN
HALL, BRYAN	1200 DINSMORE RANCH ROAD	IN

The Dinsmore Zone is a separate pressure zone in the Rio Dell Water system. If your name (or water billing address, or Subdivision Water District) appears on this list, it means you and your property are within the Dinsmore pressure zone and will be charged the Dinsmore Zone rate. This zone begins from the Douglas Booster Station that services the Dinsmore Tank and piping to your water meter.


How much will my rate increase?

Use the chart below to calculate your cost increase. For example, if your average water use is 5 units per month, your water bill will go from \$37.88 to \$53.11 per month. That's an increase of \$15.23 per month.

The new base rate you will receive in January of 2016 would be \$40.06 per month, and the per unit consumption charge is \$2.61 per unit used.

PROPOSED WATER RATE INCREASE CHART

* Dinsmore Zone Customers Subject to Additional Charge

 CURRENT		2016		2017	
UNITS USED	Current Bill	Year 1 Bill	YEAR 1 INCREASE	Year 2 Bill	YEAR 2 INCREASE
0	27.84	40.06	12.22	46.63	6.57
1	27.84	42.67	14.83	49.67	7.00
2	30.35	45.28	14.93	52.71	7.43
3	32.86	47.89	15.03	55.75	7.86
4	35.37	50.50	15.13	58.79	8.29
5	37.88	53.11	15.23	61.83	8.72
6	40.39	55.72	15.33	64.87	9.15
7	42.90	58.33	15.43	67.91	9.58
8	45.41	60.94	15.53	70.95	10.01
9	47.92	63.55	15.63	73.99	10.44
10	54.09	66.16	12.07	77.03	10.87
11	57.75	68.77	11.02	80.07	11.30
12	61.41	71.38	9.97	83.11	11.73
13	65.07	73.99	8.92	86.15	12.16
14	68.73	76.60	7.87	89.19	12.59
15	72.39	79.21	6.82	92.23	13.02
16	76.05	81.82	5.77	95.27	13.45
17	79.71	84.43	4.72	98.31	13.88
18	83.37	87.04	3.67	101.35	14.31
19	87.03	89.65	2.62	104.39	14.74
20	90.69	92.26	1.57	107.43	15.17



RESOLUTION 1281-2015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL ESTABLISHING WATER FEES AND CHARGES FOR WATER CUSTOMERS PURSUANT TO ORDINANCE 13.05

WHEREAS, The City of Rio Dell is authorized by the California Constitution and California Government Code Section 33013 to impose fees to cover expenses for the services it provides; and

WHEREAS, the City Council of Rio Dell did on November 7, 2000 adopt Water Ordinance No. 241 (RDMC Chapter 13.10) that allows for all rates, charges, fees, and penalties contained in the ordinance to be modified by resolution of the City Council of the City of Rio Dell to provide for future charges; and

WHEREAS, the City Council of Rio Dell did on May 21, 2002 adopt Ordinance No. 243-2002, amending Water Ordinance No. 241, allowing for monthly bills to be calculated as set forth by resolution duly adopted by the City Council of the City of Rio Dell; and

WHEREAS, the City Council of Rio Dell did on August 7, 2012 adopt Resolution 1168-2012 establishing water rates, charges and fees pursuant to provisions of the Rio Dell Municipal Code Chapter 13.05; and

WHEREAS, the City Council of Rio Dell did on February 18, 2014 adopt Resolution 1217-2015 restating water rates, charges, and fees pursuant to provisions of the Rio Dell Municipal Code Chapter 13.05.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Rio Dell that this Resolution rescinds Resolution No. 1217-2014 and establishes and fixes water service rates and charges for residential, commercial, and institutional customers and replaces the water rates previously set by Ordinance or Resolution, and that all rates, charges, and fees, hereinafter set forth shall remain levied and assessed as of January 1, 2016 as follows:

SECTION 1. Backflow Preventer

The reconnection charge for a backflow preventer purchased and installed by the Customer is \$50.

SECTION 2. Installation of Shut-Off Valves

The shut-off charge to allow a customer to install their shut-off valve is \$35

SECTION 3. Charge for New Service Connections

The charge for a new service connection is \$2,500, or actual cost (80% Operations, 20% Capital)

SECTION 4. Charge for Installing Meters

The charge for installing a City meter is \$200, or actual cost, whichever is greater

SECTION 5. Charges for New Service Connections for Multi-Use Motels and Hotels

The service charge for a new service connection for a multi-use motel and hotel, that has no more than 1 bedroom and no kitchen facilities per unit is \$1,000, or \$110 for each rental unit, whichever is greater (80% Operations, 20% Capital)

SECTION 6. Charges for Service

FOR ALL RESIDENTIAL, COMMERCIAL, AND INSTITUTIONAL CUSTOMERS

1. Minimum monthly base rate effective January 1, 2016 shall be \$40.06
2. Usage rate by unit (100 cubic feet equals 1 Unit, or 748 gallons) \$2.61

3. DINSMORE ZONE customers will have an additional charge of \$39.13
 -Dinsmore Zone is a separate pressure zone fed from the Dinsmore tank

4. The following chart represents the rate phase-in over a five year time period

CURRENT RATES		PROPOSED RATES						
FY 2015-2016		Jan. 1	Jan. 1	Jan. 1	Jan. 1	Jan. 1		
THRU 12/31/15		2016	2017	2018	2019	2020		
➔	BASE RATE In City	27.84	BASE	40.06	46.63	47.57	48.50	49.48
	BASE RATE Out City	41.79	BASE CHARGE IS THE SAME FOR ALL ZONES					
COST PER UNIT OF WATER USED. One unit of water is equal to 100 cubic feet or 748 gallons.								
➔	Unit 1	-	UNIT	2.61	3.04	3.10	3.17	3.23
	Unit 2-9	2.51	UNIT CHARGE IS THE SAME FOR ALL ZONES AND TIERS					
	Unit 10+	3.78						
	Unit 2-9 Out City	3.78						
	Unit 10+ Out City	5.67						
➔	Dinsmore Zone	-	CHARGE	39.13	65.21	65.36	65.51	65.66

New rate increases will be applied January 1, 2016 and January 1, 2017

SECTION 7. Billing

The City may read water meters on a monthly or bi-monthly basis. If a bi-monthly meter reading schedule is established, billings for the month the meters are not read shall be based on one half of the previous two month's usage.

SECTION 8. Water Deposits

There shall be no water deposits required for owner occupied customers. Water Deposits for all non-owner customers (Tenants) shall be \$100. This amount is refundable in whole or part after all final charges are applied.

SECTION 9. Penalty

Delinquent payments accrue 10% penalty for the first month and an additional 0.5% for each additional delinquent month.

SECTION 10. Delinquent fees and reconnection

A delinquency fee will be imposed on any delinquent account that has been placed on the shut off list for nonpayment regardless of whether or not the shut off has occurred. The fee charged for each delinquency is \$50. Once an account has been placed on the shut off list cash or credit cards are the only acceptable forms of payment. Reconnection service is FREE once all past due amounts, including any Delinquency Fees, are paid in full. There is an additional \$75 fee for restoring water service after regular business hours.

SECTION 11. Shut-off Charge Following Unauthorized Connection/Tampering

The charge to the customer for an unauthorized connection after a shut-off by the City or for tampering with a meter is \$400, plus actual costs. The customer benefitting from the unauthorized connection or meter tampering is subject to the charge.

SECTION 12. Taking water from hydrants and use of water outside City limits

The hydrant at the City Corporation Yard is the only metered hydrant available for bulk water sales. The connection fee for taking water from the hydrant is \$25 plus the cost of water as set forth in Section 7 above. Water may not be transported or used outside of City limits, except by existing agreement.

SECTION 13. Charges for Vacation Locks

The charge for a vacation lock is \$40. This includes the reconnection fee when service is restored.

BE IT FURTHER RESOLVED, that rates will be increased by three (3) percent annually effective July 1st of each year.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Rio Dell in the County of Humboldt, State of California, on the 1st day of December, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Frank Wilson, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify that the above and foregoing to be a full, true and correct copy of Resolution 1281-2015 adopted by the City of Rio Dell on the 1st day of December, 2015.

Karen Dunham, City Clerk, City of Rio Dell

RESOLUTION NO. 1217-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF RIO DELL, RESTATING WATER RATES,
CHARGES AND FEES AS SET FORTH IN RESOLUTION
1168-2012, CORRECTING AND CLARIFYING THE
TEXT AND RESCINDING RESOLUTION 1168-2012**

WHEREAS, the City of Rio Dell is authorized by the California Constitution and California Government Code Section 66013 to impose fees to cover expenses for the services it provides; and

WHEREAS, the City Council of Rio Dell did on November 7, 2000 adopt Water Ordinance No. 241 (RDMC Chapter 13.05) that allows for all rates, charges, fees and penalties contained in the ordinance to be modified by resolution of the City Council of the City of Rio Dell to provide for future charges; and

WHEREAS, the City Council of Rio Dell did on May 21, 2002 adopt Ordinance No. 243-2002, amending Water Ordinance No. 241, allowing for monthly bills to be calculated as set forth by resolution duly adopted by the City Council of the City of Rio Dell; and

WHEREAS, the City Council of Rio Dell did on August 7, 2012 adopt Resolution 1168-2012 establishing water rates, charges and fees pursuant to provisions of the Rio Dell Municipal Code Chapter 13.05.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Rio Dell that this Resolution rescinds Resolutions No. 998-2008, 1142-2012, 1159-2012 and 1168-2012, and that all rates, charges, and fees, hereinafter set forth shall remain levied and assessed as of the date of this Resolution as follows:

SECTION 1. Backflow Preventer

The reconnection charge for a backflow preventer purchased and installed by the customer's is \$50.00.

SECTION 2. Installation of Shut-Off Valves

The shut-off charge to allow a customer to install their shut-off valve is \$35.00.

SECTION 3. Charge for New Service Connections

The charge for a new service connection charge is \$2,500.00, or actual cost (Operations-80% & Capital-20%).

SECTION 4. Charge for Installing Meters

The charge for installing a City meter is \$200.00, or actual cost, whichever is greater.

SECTION 5. Charges for New Service Connections for Multi-Use Motels and Hotels

The service charge for a new service connection for a multi-use motel and hotel, that has no more than (1) bedroom and no kitchen facilities per unit, is \$1,000.00, or \$110 for each rental unit, whichever is greater (80% Operational; 20% Capital).

For all Residential, Commercial and Institutional Customers Inside City Limits
 Minimum Monthly Base Rate effective July 1, 2012 shall be \$26.24

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Usage Rate:
 0 to 100 cubic feet - Included in Monthly Base Rate
 (100 cubic feet equals 1 unit or 748 gallons)

Usage Rates by Volume in Addition to the Base Rate:
 101 to 1,000 cubic feet - \$2.37 per 100 cubic feet
 Over 1,000 cubic feet - \$3.56 per 100 cubic feet

For all R.V. Parks and Mobile Home Parks with Significant Space Committed to Recreational Vehicle Parking

Minimum Monthly Base Rate - \$26.24
 0 to 100 cubic feet - Included in Monthly Base Rate

Usage Rate by Volume in Addition to the Base Rate:
 101 to 1,000 cubic feet - \$2.37 per 100 cubic feet
 Over 1,000 cubic feet - \$3.56 per 100 cubic feet

Eligibility for R.V. Park and Mobile Home Park with significant R.V. space will be based on the following conditions and definitions:

1. Mobile home spaces are calculated as residential units.
2. Significant R.V. space is defined as being at least 20% of the total spaces in the facility.
3. Base rate per R.V. space is calculated at 65% of the \$26.24 monthly base rate.
4. Total Park water consumption must have average less than 90% of the average residential water consumption to maintain eligibility for this the RV rate.
5. Certification: Mobile home park owners or operators must file a monthly sworn statement certifying that the total number of spaces in the park and the number of spaces dedicated to recreational vehicles for the entire month met the above criteria in order to qualify for the retrospective 35% credit for reported RV spaces on the next billing cycle.

Example: A 40-unit mobile home park with water usage metered at 10,000 cubic feet (100 units), with (4) RV spaces reported as rented in the previous month.

Base rate (\$26.24) for the 40 mobile home spaces	\$1049.60
Prior month credit for 4 R.V. spaces (65% of \$26.24 x 4)	- 68.22
Water at \$2.37 per 100 cubic feet for 6,000 cubic feet (60 units) additional use.	<u>142.20</u>
Total monthly charge	\$1,123.58

Outside City Limits for all Residential and Commercial Customers

Minimum Monthly Base Rate - \$39.39
 0-100 cubic feet - Included in Monthly Base Rate

Usage Rates by Volume in Addition to the Base Rate:
 101 to 1,000 cubic feet - \$3.56 per 100 cubic feet
 Over 1,000 cubic feet - \$5.73 per 100 cubic feet

SECTION 7. Billing

The City may read water meters on a monthly or bi-monthly basis. If a bi-monthly meter reading schedule is established, billings for the month the meters are not read shall be based on one half of the previous two month's usage.

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SECTION 8. Water Deposits

There shall be no water deposits required for owner/occupied customers. Water Deposits for all non-owner customers (tenants) shall be \$100.00; refundable in whole or part after all final charges are applied.

SECTION 9. Penalty

Delinquent payments: 10% penalty for the first month and an additional 0.5% penalty for each additional delinquent month.

SECTION 10. Reconnection Fees

A reconnection fee will be imposed on any delinquent account that has been placed on the shut-off list (due to nonpayment) since the shut-off is in process. Requests for reconnection may be made between 8:00 a.m. and 4:00 p.m. when City Hall is open. The fee charged for the first reconnection is \$40.00, \$60.00 for the second reconnection and \$100.00 for all subsequent reconnections.

The prepaid charge of \$75.00 is required for a reconnection that requires City staff to work after 4:30pm on a week day. Reconnections are not available on weekends and holidays.

SECTION 11. Shut-off Charge Following Unauthorized Connection/Tampering

The charge to the customer for an unauthorized connection after a shut-off by the City or for the tampering with the meter is \$400.00, plus actual costs. The customer benefitting from the unauthorized connection or meter tampering is subject to the charge.

SECTION 12. Taking Water From Hydrants And Use of Water Outside of City Limits

The hydrant at the City Corporation Yard is the only metered hydrant available for bulk water sales. The connection fee for taking water from the hydrant is \$25.00, plus the cost of water as set forth in section 6 above. Water may not be transported or used outside of City limits, except by existing agreement.

SECTION 13. Charges for Vacation Locks

The charge for a vacation lock is \$10.00. The charge to renew service after a vacation lock is \$10.00.

BE IT FURTHER RESOLVED, that rates will be increased by three (3) percent annually effective July 1st of each year.

PASSED AND ADOPTED by the City Council of the City of Rio Dell on this 18th day of February, 2014 by the following vote:

- AYES:** Mayor Thompson, Councilmembers Johnson, Marks, Wilson and Woodall
- NOES:** None
- ABSENT:** None
- ABSTAIN:** None

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Jack Thompson
Jack Thompson, Mayor

Attest:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. 1217-2014 adopted by the City Council on February 18, 2014.

Karen Dunham

Karen Dunham, CMC
City of Rio Dell