

VOLCANO COMMUNITY SERVICES DISTRICT
P. O. Box 72
Volcano, California 95689

BOARD OF DIRECTORS
JOE WOLFBRANDT, Chair (296-7212)
SARA GILLICK (296-4467)
TERRY GRILLO (296-4888)

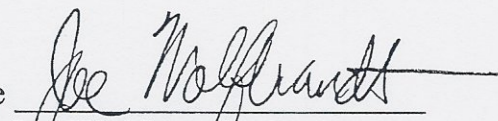
RESOLUTION NO. 1998-01

RESOLVED by the Board of Directors of the Volcano Community Services District that pursuant and subject to all of the terms and provisions of the California Safe, Clean, Reliable Water Supply Act and amendments thereto, application by this Volcano Community Services District be made to the California Department of Water Resources to obtain a local projects feasibility study grant.

The Chairman of the Board of the Volcano Community Services District is hereby authorized and directed to prepare the necessary data, make investigations, sign, and file such application with the California Department of Water Resources.

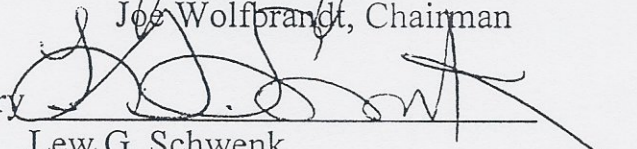
Passed and adopted at a special meeting of the Board of Directors of the Volcano Community Services District on September 8, 1998.

Authorized Signature



Joe Wolfbrandt, Chairman

Clerk/Secretary



Lew G. Schwenk

**Volcano Community Services District
Proposed Water Rate Increase Analysis
May 4, 1999**

Number of Readings in 1998	Monthly Use (1,000 gal)	Rate #1		May 1, 1999	
		Use Rate	Monthly Bill	% Monthly Increase *	Annual Revenue
			Base	\$ 22.00	
169	0.5	\$ 0.50	\$ 22.25	1.1%	\$ 3,760.25
58	1.5	\$ 0.50	\$ 22.75	3.4%	\$ 1,319.50
71	2.5	\$ 0.50	\$ 23.25	5.7%	\$ 1,650.75
156	3.5	\$ 0.50	\$ 23.75	8.0%	\$ 3,705.00
94	4.5	\$ 0.50	\$ 24.25	10.2%	\$ 2,279.50
67	5.5	\$ 0.50	\$ 24.75	10.0%	\$ 1,658.25
39	6.5	\$ 0.50	\$ 25.25	9.8%	\$ 984.75
26	7.5	\$ 0.50	\$ 25.75	9.6%	\$ 669.50
38	8.5	\$ 0.50	\$ 26.25	9.4%	\$ 997.50
22	9.5	\$ 0.50	\$ 26.75	9.2%	\$ 588.50
14	10.5	\$ 1.50	\$ 27.75	8.8%	\$ 388.50
14	11.5	\$ 1.50	\$ 29.25	10.4%	\$ 409.50
11	12.5	\$ 1.50	\$ 30.75	11.8%	\$ 338.25
3	13.5	\$ 1.50	\$ 32.25	13.2%	\$ 96.75
2	14.5	\$ 1.50	\$ 33.75	14.4%	\$ 67.50
3	15.5	\$ 15.00	\$ 42.00	31.3%	\$ 126.00
1	16.5	\$ 15.00	\$ 57.00	65.2%	\$ 57.00
2	18.5	\$ 15.00	\$ 87.00	120.3%	\$ 174.00
1	25.5	\$ 15.00	\$ 192.00	295.9%	\$ 192.00
1	38.5	\$ 15.00	\$ 387.00	133.8%	\$ 387.00

(* As compared to previous rate)

Annual Revenue Total	\$ 19,850.00
Income Increase Over 1998 Rate	\$ 1,664.00

**Volcano Community Services District
Proposed Water Rate Increase Analysis
May 4, 1999**

Number of Readings in 1998	Monthly Use (1,000 gal)	<u>Rate #2</u>		<u>January 1, 2000</u>	
		Use Rate	Monthly Bill	% Monthly Increase *	Annual Revenue
			Base	\$ 23.00	
169	0.5	\$ 0.75	\$ 23.38	5.1%	\$ 3,950.38
58	1.5	\$ 0.75	\$ 24.13	6.0%	\$ 1,399.25
71	2.5	\$ 0.75	\$ 24.88	7.0%	\$ 1,766.13
156	3.5	\$ 0.75	\$ 25.63	7.9%	\$ 3,997.50
94	4.5	\$ 0.75	\$ 26.38	8.8%	\$ 2,479.25
67	5.5	\$ 0.75	\$ 27.13	9.6%	\$ 1,817.38
39	6.5	\$ 0.75	\$ 27.88	10.4%	\$ 1,087.13
26	7.5	\$ 0.75	\$ 28.63	11.2%	\$ 744.25
38	8.5	\$ 0.75	\$ 29.38	11.9%	\$ 1,116.25
22	9.5	\$ 0.75	\$ 30.13	12.6%	\$ 662.75
14	10.5	\$ 1.75	\$ 31.38	13.1%	\$ 439.25
14	11.5	\$ 1.75	\$ 33.13	13.2%	\$ 463.75
11	12.5	\$ 1.75	\$ 34.88	13.4%	\$ 383.63
3	13.5	\$ 1.75	\$ 36.63	13.6%	\$ 109.88
2	14.5	\$ 1.75	\$ 38.38	13.7%	\$ 76.75
3	15.5	\$ 15.00	\$ 46.75	11.3%	\$ 140.25
1	16.5	\$ 15.00	\$ 61.75	8.3%	\$ 61.75
2	18.5	\$ 15.00	\$ 91.75	5.5%	\$ 183.50
1	25.5	\$ 15.00	\$ 196.75	2.5%	\$ 196.75
1	38.5	\$ 15.00	\$ 391.75	1.2%	\$ 391.75

(* As compared to previous rate)

Annual Revenue Total	\$ 21,467.50
Income Increase Over 1998 Rate	\$ 3,281.50

**Volcano Community Services District
Proposed Water Rate Increase Analysis
May 4, 1999**

Number of Readings in 1998	Monthly Use (1,000 gal)	Rate #3		January 1, 2001	
		Use Rate	Monthly Bill	% Monthly Increase *	Annual Revenue
			Base	\$ 23.50	
169	0.5	\$ 1.00	\$ 24.00	2.7%	\$ 4,056.00
58	1.5	\$ 1.00	\$ 25.00	3.6%	\$ 1,450.00
71	2.5	\$ 1.00	\$ 26.00	4.5%	\$ 1,846.00
156	3.5	\$ 1.00	\$ 27.00	5.4%	\$ 4,212.00
94	4.5	\$ 1.00	\$ 28.00	6.2%	\$ 2,632.00
67	5.5	\$ 1.00	\$ 29.00	6.9%	\$ 1,943.00
39	6.5	\$ 1.00	\$ 30.00	7.6%	\$ 1,170.00
26	7.5	\$ 1.00	\$ 31.00	8.3%	\$ 806.00
38	8.5	\$ 1.00	\$ 32.00	8.9%	\$ 1,216.00
22	9.5	\$ 1.00	\$ 33.00	9.5%	\$ 726.00
14	10.5	\$ 2.00	\$ 34.50	10.0%	\$ 483.00
14	11.5	\$ 2.00	\$ 36.50	10.2%	\$ 511.00
11	12.5	\$ 2.00	\$ 38.50	10.4%	\$ 423.50
3	13.5	\$ 2.00	\$ 40.50	10.6%	\$ 121.50
2	14.5	\$ 2.00	\$ 42.50	10.7%	\$ 85.00
3	15.5	\$ 15.00	\$ 51.00	9.1%	\$ 153.00
1	16.5	\$ 15.00	\$ 66.00	6.9%	\$ 66.00
2	18.5	\$ 15.00	\$ 96.00	4.6%	\$ 192.00
1	25.5	\$ 15.00	\$ 201.00	2.2%	\$ 201.00
1	38.5	\$ 15.00	\$ 396.00	1.1%	\$ 396.00

(* As compared to previous rate)

Annual Revenue Total \$ **22,689.00**

Income Increase Over 1998 Rate \$ **4,503.00**

**Volcano Community Services District
Proposed Water Rate Increase Analysis
May 4, 1999**

Number of Readings in 1998	Monthly Use (1,000 gal)	Rate #4		January 1, 2002	
		Use Rate	Monthly Bill	% Monthly Increase *	Annual Revenue
			Base	\$ 24.20	
169	0.5	\$ 1.25	\$ 24.83	3.4%	\$ 4,195.43
58	1.5	\$ 1.25	\$ 26.08	4.3%	\$ 1,512.35
71	2.5	\$ 1.25	\$ 27.33	5.1%	\$ 1,940.08
156	3.5	\$ 1.25	\$ 28.58	5.8%	\$ 4,457.70
94	4.5	\$ 1.25	\$ 29.83	6.5%	\$ 2,803.55
67	5.5	\$ 1.25	\$ 31.08	7.2%	\$ 2,082.03
39	6.5	\$ 1.25	\$ 32.33	7.8%	\$ 1,260.68
26	7.5	\$ 1.25	\$ 33.58	8.3%	\$ 872.95
38	8.5	\$ 1.25	\$ 34.83	8.8%	\$ 1,323.35
22	9.5	\$ 1.25	\$ 36.08	9.3%	\$ 793.65
14	10.5	\$ 2.25	\$ 37.83	9.6%	\$ 529.55
14	11.5	\$ 2.25	\$ 40.08	9.8%	\$ 561.05
11	12.5	\$ 2.25	\$ 42.33	9.9%	\$ 465.58
3	13.5	\$ 2.25	\$ 44.58	10.1%	\$ 133.73
2	14.5	\$ 2.25	\$ 46.83	10.2%	\$ 93.65
3	15.5	\$ 15.45	\$ 55.68	9.2%	\$ 167.03
1	16.5	\$ 15.45	\$ 71.13	7.8%	\$ 71.13
2	18.5	\$ 15.45	\$ 102.03	6.3%	\$ 204.05
1	25.5	\$ 15.45	\$ 210.18	4.6%	\$ 210.18
1	38.5	\$ 15.45	\$ 411.03	3.8%	\$ 411.03

(* As compared to previous rate)

Annual Revenue Total **\$ 24,088.70**

Income Increase Over 1998 Rate **\$ 5,902.70**

VOLCANO COMMUNITY SERVICES DISTRICT

March 16, 1999

ORIGINAL

To: All Volcano Water Users

From: Board of Directors, VCSD

The Board of Directors of the VCSD has determined that a water rate increase is necessary and inevitable. The current water rate has been in effect since the fall of 1994. We would like to share with all of you some facts as determined by the Water Rate Committee and our annual audit of fiscal 1998, in addition to information provided by our Secretary/Treasurer, Meter Reader, and Billing Secretary.

- Net Operating Loss for the Water District during fiscal 1998 was \$1,982.70.
- During fiscal 1998, no additional money was deposited into the Replacement Fund.
- Production Costs to produce & deliver 1,000 gallons of water is @ \$1.30.
- Our water system infrastructure is roughly estimated to be valued at \$405,000.
- Average component replacement for our system is estimated at @ every 50 years.
- The cost of replacing 1/50th of our system each year would cost \$8,000 annually.
- Our current rate structure is not based on charging specifically for the cost to produce the water that is delivered.
- Our current water source is limited.

The Board of Directors will consider passing an ordinance to enact a series of rate increases at the May 4, 1999 meeting. The Board would like to enact these rate increases to accomplish the following:

- Increase operating income to a level sufficient to cover operating expenses and contribute to the replacement fund.
- Enact a series of smaller, gradual, more palatable increases over the next 3½ years, rather than one large, abrupt increase.

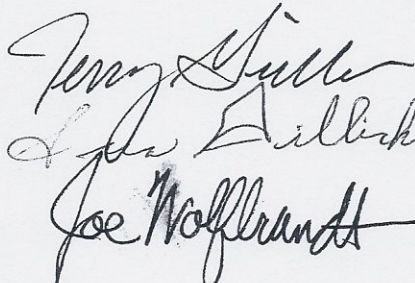
Attached you will find copies of the current rate schedule and the proposed future schedules. To see how these rate increases will impact your bill, find your typical monthly water use and look across to the right to see what your new rate and % increase will be. Please call one of your Directors if you have any questions.

Thank You!

Terry Grillo, Chairman 296-4888

Sara Gillick, Director 296-4467

Joe Wolfbrandt, Director 296-7212



VOLCANO COMMUNITY SERVICES DISTRICT

CURRENT WATER RATE STRUCTURE

EFFECTIVE DATE: FALL 1994

Base Rate: \$ 22.00

<u>Charges for Water Used</u>	Rate (\$/1,000 gallons)	Maximum Monthly <u>Cost for:</u>
5,000 Gallons or Less	Included	\$ 22.00
5,001 - 10,000 gallons	\$ 0.50	\$ 24.50
10,001 - 15,000 gallons	\$ 1.00	\$ 29.50
15,001 - 20,000 gallons	\$ 2.50	\$ 42.00
20,001 - 25,000 gallons	\$ 6.00	\$ 72.00
25,001 - 40,000 gallons	\$ 9.00	\$ 207.00
Additional Gallons	\$ 15.00	???

Current

VOLCANO COMMUNITY SERVICES DISTRICT

PROPOSED WATER RATE STRUCTURE

Step #1

EFFECTIVE DATE: June 1, 1999

Base Rate: \$ 22.00

<u>Charges for Water Used</u>	<u>Rate (\$/1,000 gallons)</u>	<u>Maximum Monthly Cost for:</u>	<u>Avg.% Increase (Over 1998)</u>
Less than 10,000 gallons	\$ 0.50	\$ 27.00	10.2%
10,000 - 15,000 gallons	\$ 1.50	\$ 34.50	16.9%
Over 15,000 gallons	\$ 15.00	???	91.6%

Increased Annual District Income: \$ 1,664.00
(Compared to 1998 Rates)

June 1, 1999

**VOLCANO COMMUNITY SERVICES DISTRICT
PROPOSED WATER RATE STRUCTURE**

Step #3

EFFECTIVE DATE: January 1, 2001

Base Rate:	\$ 23.50			
Charges for Water Used	Rate (\$/1,000 gallons)	Maximum Monthly Cost for:	Avg.% Increase (Over Step #2)	
Less than 10,000 gallons	\$ 1.00	\$ 33.50	9.8%	
10,000 - 15,000 gallons	\$ 2.00	\$ 43.50	10.8%	
Over 15,000 gallons	\$ 15.00	???	3.4%	

Increased Annual District Income: \$ 4,503.00
(Compared to 1998 Rates)

**VOLCANO COMMUNITY SERVICES DISTRICT
PROPOSED WATER RATE STUCTURE**

Step #4

EFFECTIVE DATE: January 1, 2002

Base Rate:	\$ 24.20		
Charges for Water Used	Rate (\$/1,000 gallons)	Maximum Monthly Cost for:	Avg.% Increase (Over Step #3)
Less than 10,000 gallons	\$ 1.25	\$ 36.70	9.6%
10,000 - 15,000 gallons	\$ 2.25	\$ 47.95	10.2%
Over 15,000 gallons	\$ 15.45	???	5.5%

Increased Annual District Income: \$ 5,902.70
(Compared to 1998 Rates)