

RESOLUTION NO. 2006-08

RESOLUTION OF THE INDIAN VALLEY COMMUNITY SERVICES DISTRICT ESTABLISHING THE WATER SERVICE RATES FOR CUSTOMERS OF INDIAN VALLEY COMMUNITY SERVICES DISTRICT GREENVILLE & CRESCENT MILLS WATER SYSTEMS, EFFECTIVE JULY 1ST, 2006, FOLLOWED BY ANNUAL INFLATION INDEX ADJUSTMENTS IN JUNE.

WHEREAS, it has been recommended that the Indian Valley Community Services District (District) adopt new, increased water service use rates as set forth in Exhibit "A" AND "B" attached hereto; and,

WHEREAS, the District's Board (Board) has carefully considered this recommendation, and reviewed the existing water service rate structure and has conducted a public hearing on said matter; and,

WHEREAS, the Board deems it to be in the best interest of the District's water service customers and users to establish new, increased water service rates as proposed; and,

WHEREAS, the Board therefore finds as follows:

The purpose of the increase is as follows: (1) meeting operating expenses including wage rates and benefits; (2) to cover the cost of issuing bills, processing charges, collecting revenues; (3) meeting expenses to cover the cost of repairing and maintaining the systems; (4) meeting financial reserve needs; (5) obtaining funds for capital projects necessary to maintain service reliability; (6) and paying debt service obligations.

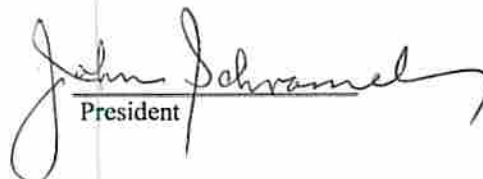
NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board hereby approves the rate schedule attached to this Resolution as exhibit A, AND B effective JULY 1, 2006.

The provisions contained in California Civil Code Sections 860-870 shall be applicable to this resolution and to any action taken by the District by ordinance or resolution to determine the amount of the service charges. It is the express intent of the District in adopting this resolution that any legal action contesting the validity of the resolution and/or the service charges established hereunder shall be filed within 60 days from the date of the adoption of this resolution.

In the event that a court should decide that the validation provisions are not applicable to the adoption of this resolution or to the determination fixing and certifying the service charges, the District hereby separately declares its intent to and does hereby establish a statute of limitation in which any legal action, suit or proceeding may be initiated in court in which to attack, set aside, void or otherwise annul this resolution or any portion or provision hereof and the determination fixing and certifying the service charges. Any such action shall be initiated and filed in the appropriate court within 60 days of the date of the adoption of this resolution. Otherwise, any such suit shall be barred.

Passed and adopted by the Indian Valley Community Services District/Board of Directors on July, 12th 2006 by the following vote:

AYES	<u>3</u>
NOES:	<u>1</u>
EXCUSED:	<u>0</u>


President

ATTEST:

Board Secretary of the Indian Valley Community Services District.

Exhibit "A"

Proposed Water Rates 2006 10% increase to fund operating revenue requirements

Monthly Service Charge by meter size.

Current	Proposed
5/8"	\$27.33
3/4"	\$38.89
1"	\$64.07
1 1/2"	\$128.19
2"	\$197.14
3"	\$353.65

Water Unit Rate- per 748 gallons /100 cubic feet

Current \$ 1.91
Proposed \$2.10

Yearly Revenue Produced

Current \$314,290.00
Proposed \$345,720.00

Exhibit "B"

Indian Valley CSD
Water Rate and Surcharge Revenue Proposed
FY 2006/07 and 2007/08

Average
Monthly Increase
Per Customer
Greenville CM
Water Water

General Rate Increases:

10.00% **4.71** **4.13**

Surcharges:

1 Yr-Missed Payment **8.15**
1 Yr-Reserve Catch-Up 4.87 3.08
2 Yr-Reserve Catch-Up 2.44 1.54

Combined-10% General Rate Increase and
Reserve Catch-Up
(and Missed Payment for Greenville)

First Year 15.31 5.67
Second Year 7.15 5.67
Subsequent Years 4.71 4.13

Combined-Same as Above except 2 Yr Reserve
Catch-Up Doesn't Start Until Year 2
(Greenville Only):

First Year 12.87 5.67
Second Year 7.15 5.67
Third Year 7.15 4.13
Subsequent Years 4.71 4.13