

**SOUTH PLACER MUNICIPAL
UTILITY DISTRICT**

ORDINANCE NO. 06-01

**AN ORDINANCE AMENDING SECTION 2 OF
ORDINANCE 03-01 RELATING TO MONTHLY SERVICE
CHARGES FOR SERVICE AND SERVICES RENDERED BY THE
DISTRICT FOR THE FISCAL YEARS 2006/07 AND 2007/08**

**BE IT ENACTED BY THE BOARD OF DIRECTORS OF SOUTH PLACER
MUNICIPAL UTILITY DISTRICT AS FOLLOWS:**

SECTION 1

Section 2 of Ordinance No. 03-01, is hereby amended to read as follows:

Section 2

A monthly service charge for each equivalent dwelling unit is hereby fixed and established as follows:

<u>Fiscal Year</u>	<u>Monthly Charge</u>
2006-2007	\$18.50 *
2007-2008	\$20.50

* Beginning on October 1, 2006

Such monthly service charge may be changed from time to time by ordinance. The monthly service charge for multiple dwelling units shall be the basic EDU rate multiplied by the number of equivalent dwelling units.

SECTION 2

All other Sections of Ordinance No. 03-01 remain in effect until such time as is changed by ordinance.

SECTION 3

This ordinance shall be effective October 1, 2006.

SECTION 5

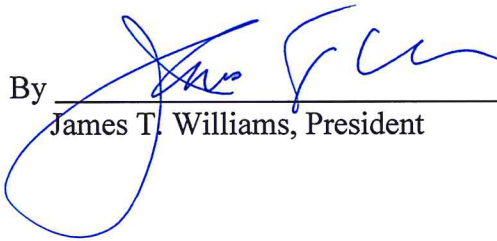
Upon final passage, this ordinance shall be published once a week for two successive weeks in a newspaper of general circulation within the District, pursuant to the provisions of Sections 11534 and 11910 of the Public Utilities Code.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of South Placer Municipal Utility District on this 7th day of September, 2006 by the following vote:

AYES: Directors Murdock, Mitchell, Williams, Colwell, Blackwell
NOES: None
ABSTAIN: None
ABSENT: None

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

By



James T. Williams, President

ATTEST:



Carol J. Bean, Secretary

South Placer Municipal Utility District

P.O. Box 45 – 3671 Taylor Road
LOOMIS, CALIFORNIA 95650
Phone (916) 652-5877

July 12, 2006

South Placer M.U.D.
Board of Directors
P.O. Box 45
Loomis, CA 95650

Attn: Carol Bean
Secretary to the Board of Directors

Re: Recommendations Regarding the Fiscal Year 2006/07 and 2007/08 Service Charges

Board of Directors:

In accordance with Ordinance No. 03-01, the monthly service charge increased \$0.25 to \$16.75 per month on July 1, 2006. The \$16.75 rate is to be in effect for the 2006/07 Fiscal Year.

After review and discussion at the July 6, 2006 Monthly Service Charge Workshop, staff and the Board determined that the proposed revenues for 2006/07, at the rate of \$16.75/month would be inadequate to meet expected expenses; and that with this rate it is projected that the General Fund reserves at the end of the 2006/07 Fiscal Year will not be within the guidelines established in the SPMUD Five-Year Wastewater Financing Plan, dated June 2003.

Pursuant to the provisions of Section 14401 of the Public Utilities Code, and based on the guidelines established in the District's financing plan and information provided at the July 6, 2006 workshop (see Exhibit A), I hereby recommend that the District's monthly service charge be increased to \$18.50/month per EDU for the 2006/07 Fiscal Year effective October 1, 2006 and \$20.50/month per EDU for the 2007/08 Fiscal Year effective July 1, 2007.

Section 14401 of the Public Utilities Code requires the Board to hold a Public Hearing within 40 days of the filing of this Report and Recommendations, and that notice of the time and place of the Hearing shall be published once a week for two successive weeks. A Notice of Hearing for this purpose should be prepared and published pursuant to Section 6066 of the Government Code.

Respectfully submitted,



Charles W. Clark
General Manager

CCW:cjb

Cc: Adam Brown, District Counsel

ITEM	CATEGORY	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
1	TOTAL REVENUE	\$ 5,497,500	\$ 5,624,550	\$ 5,706,850	\$ 5,955,600	\$ 6,611,200	\$ 6,955,000	\$ 7,317,000
2	REVENUE FM SVC. CHARGES	\$ 4,600,000	\$ 4,761,600	\$ 5,060,000	\$ 5,335,000	\$ 5,580,000	\$ 5,995,000	\$ 6,307,000
3	**SVC.CHAR. AS % OF TOTAL REV.	83.67%	84.66%	88.67%	89.58%	84.40%	86.20%	86.20%
4	GEN. FUND RESERVES	\$ 12,734,147	\$ 11,588,715	\$ 6,242,695	\$ 6,715,449	\$ 5,493,660	\$ 4,283,000	\$ 1,334,352
5	*GEN. FUND EXPENSES	\$ 5,175,380	\$ 5,529,783	\$ 5,658,620	\$ 6,209,020	\$ 7,833,000	\$ 8,224,000	\$ 8,651,000
6	% INCREASE OVER PREV. YR.		-6.8%	-2.3%	-9.7%	-26.2%	-5.0%	-5.2%
7	OPERATING RESERVES [IN MOS.]	30	25	13	13	8	6	2
8	MTLY SVC CHARGE TO MEET EXPENSES					\$ 6,611,000	\$ 7,089,000	\$ 7,456,800
9	PROJECTED EDU'S					27100	28500	30200
10	2 YR PLAN MONTHLY SVC. FEE					\$ 18.50	\$ 20.50	\$ 20.50
11	2-YR PLAN REVENUES					\$ 5,691,000	\$ 6,498,000	\$ 7,429,200
12	3-YR PLAN MONTHLY FEE					\$ 17.50	\$ 19.00	\$ 20.50
13	3-YR PLAN REVENUES					\$ 6,016,200	\$ 7,011,000	\$ 7,429,200

PROPOSED 2 YEAR PLAN--(TWO -\$2.00 INCREASES)
 RAISE FEE TO \$18.50 IN FY06/07; WHICH WILL LEAVE A \$ 595,000 REMAINDER
 THEN RAISE FEE TO \$20.50 IN FY 07/08; WHICH WILL LEAVE A \$ 78,000 REMAINDER
 THEN PAY OFF THIS REMAINDER WITH OUR GEN. FUND RESERVES. THE \$20.50 WILL BE GOOD TO FY 2009/10.

ALT. 3 YEAR PLAN (ONE -\$1.00 AND TWO -\$1.50 INCREASES)
 RAISE FEE TO \$17.50 IN FY06/07; WHICH WILL LEAVE A \$ 920,000 REMAINDER
 THEN RAISE FEE TO \$19.00 IN FY 07/08; WHICH WILL LEAVE A \$ 591,000 REMAINDER
 THEN RAISE FEE TO \$20.50 IN FY 08/09; WHICH WILL LEAVE A \$ 28,000 REMAINDER
 THEN PAY OFF THIS REMAINDER WITH OUR GEN. FUND RESERVES. THE \$20.50 WILL BE GOOD TO FY 2009/10.

ALT. 1 YEAR PLAN (ONE - \$4.00 INCREASE)
 RAISE FEE TO \$20.50 IN FY 06-07; WHICH WILL HAVE NO REMAINDER AND BE GOOD TO FY 09/10.

	SMD 1	SMD 2	SMD 3
COMPARE TO PLACER CO.	\$ 59.51	\$ 44.15	\$ 74.76

* 80% OF OUR BUDGET GOES TO THE RWWTP
 ** BY INCREASING OUR DEVELOPER FEE'S WE COULD REDUCE THIS % THUS DECREASING THE SERVICE FEE INCREASE PRE EDU.