

OLIVEHURST PUBLIC UTILITY DISTRICT

RESOLUTION NO. 2066

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OLIVEHURST PUBLIC UTILITY DISTRICT PROVIDING FOR AND
ESTABLISHING A CAPACITY CHARGE FOR THE DOMESTIC WATER SYSTEM
AND NECESSARY EXPANSIONS AND IMPROVEMENTS THEREOF**

WHEREAS, the Board of Directors of Olivehurst Public Utility District ("District") owns and operates a Domestic Water System which operates under permit issued by the Department of Health Services of the State of California; and

WHEREAS, the District is experiencing tremendous growth and development within an area which has been, or will be, annexed to the District known as the Plumas Lake Specific Plan Area ("PLSPA"); and

WHEREAS, in order to provide for domestic water throughout the PLSPA, substantial facilities, including wells, treatment plants and water mains have been and will be constructed and dedicated to the District; and

WHEREAS, the Board of Directors wishes to establish by resolution the capacity fee required for the connection of all customers in differing cost zones of the PLSPA to its Domestic Water System; and

WHEREAS, the charges established herein are required in order to finance directly or through credits to developers, the necessary construction of facilities to meet the domestic water requirements to serve new connections throughout the PLSPA; and

WHEREAS, these capacity rates set forth in Exhibit A are established for the South Zone of the PLSPA and are approved and authorized in accordance with the provisions of Section 66013, et seq. of the Government Code of the State of California; and

WHEREAS, the capacity fee established herein is required to meet the financial reserve needs and requirements of the District and to obtain funds for capital projects necessary to maintain water services within the District and are therefore exempt from the requirements of the California Environmental Quality Act in accordance with Public Resources Code Section 21080(b)(8)(C) and (D).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Olivehurst Public Utility District that it does hereby establish and approve a domestic water system capacity fee, payable prior to issuance of a building permit, for connection to its Domestic Water System within the PLSPA – South Zone in the amount and under the terms and conditions set forth in Exhibit "A," attached hereto, which Exhibit "A" shall constitute the District's Domestic Water

System Capacity Fee Tariff – South Zone.

BE IT FURTHER RESOLVED that domestic water capacity fees set forth in Exhibit “A” are based on the costs of construction of the required improvements and are found reasonable and necessary for the District in accordance with reports and studies prepared by Economic Planning Systems, Inc., dated August 14, 2003, and updated February 19, 2004, which reports have been duly adopted and approved by the Board of Directors of Olivehurst Public Utility District.

BE IT FURTHER RESOLVED that the Board does find that establishment of the domestic water system capacity charges herein is exempt from the provisions of the California Environmental Quality Act under Section 21080(b) of the California Public Resource Code.

BE IT FURTHER RESOLVED that said schedule of domestic water system capacity fee rates and charges shall be subject to an annual inflation adjustment described in Exhibit “A” and shall further be subject to change in base rates determined necessary by the Board of Directors of Olivehurst Public Utility District.

BE IT FURTHER RESOLVED that the District may grant credits against the fees set forth in Exhibit “A” (excluding that portion of the fee representing administrative costs) when a person or entity otherwise obligated to pay said fee has installed facilities upon which said fee is based, in accordance with District rules.

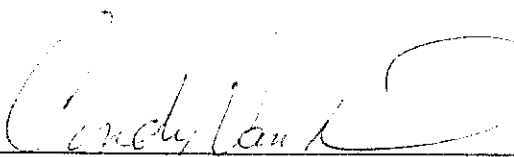
PASSED AND ADOPTED this 19th day of February 2004.

OLIVEHURST PUBLIC UTILITY DISTRICT




President, Board of Directors

ATTEST:



Deputy Clerk & ex-officio Secretary

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

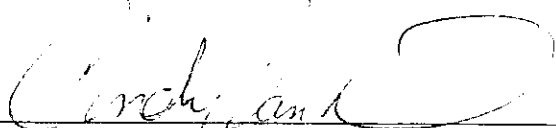


Jeffrey A. Meith, Legal Counsel

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I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted and passed by the Board of Directors of the Olivehurst Public Utility District, Yuba County, California, at a meeting thereof held on the 19th day of February, 2004, by the following vote:

AYES, AND IN FAVOR THEREOF: Director Patty, Donahue, Brown, and Miller.
NOES : None.
ABSTAIN : None.
ABSENT : Director Carpenter.



Deputy Clerk & ex-officio Secretary

Exhibit A
Plumas Lake Specific Plan
Domestic Water System Capacity Fees - South Zone [1]

Meter Size	Water System Capacity Cost (2003 \$)	Administrative Cost (3.0%) (2003 \$)	Total Water System Capacity Fee (2003 \$)
	Per Unit	Per Unit	Per Unit
3/4" Meter	\$2,594	\$78	\$2,672
1" Meter	\$3,632	\$109	\$3,741
1.5" Meter	\$4,669	\$140	\$4,809
2" Meter	\$7,523	\$226	\$7,749
3" Meter	\$28,534	\$856	\$29,390
4" Meter	\$36,316	\$1,089	\$37,405
6" Meter	\$54,474	\$1,634	\$56,108

[1] Fees will be subject to an annual inflation adjustment. Annual inflation adjustment means that in March of each calendar year, the fee will be adjusted by the average of the 20-Cities and San Francisco Construction Cost Index as reported in the Engineering News Record for the twelve month period ending December of the prior calendar year.