DEPARTMENT: Public Works/Coulterville Service Area

RECOMMENDED ACTION AND JUSTIFICATION:

Public Hearing regarding fees charged in the Coulterville Service Area for water and sewer service; approval of Option #1 of the proposed fee schedule.

The fees currently charged for water and sewer service in Coulterville are insufficient to cover the cost of operations and maintenance of those systems. Since County Service Areas need to be self-supporting Public Works staff performed a financial analysis of the Coulterville water and sewer divisions in order to determine how much the rates would need to be raised to achieve this goal.

Our original analysis was done in December 2006 and indicated that very substantial fee increases were needed in the Coulterville Service Area for both water and sewer service. On January 16, 2007 we presented the results of our analysis and the proposed fee increases to the Board for discussion and direction. Public Works was directed to re-establish the Coulterville Service Area Advisory Board and present the financial information and proposed fee increases to them for their review and input.

The Advisory Board was re-established and Public Works staff met with them on May 2, 2007. Financial information was presented showing consistent financial losses in both the water and sewer divisions for several years. Many issues were discussed including the proposed fee increases. Lyle Turpin requested that another Advisory Board meeting be scheduled and that all Coulterville residents be invited to attend.

Another Advisory Board meeting was held on October 25, 2007. A letter was sent to all customers with active accounts in the Coulterville Service Area on October 5th inviting them to attend the meeting. Many residents attended the meeting and copies of worksheets showing five years of revenue and expense for the water and sewer divisions were passed out to everyone along with the proposed rate increases. The meeting lasted over an hour and topics discussed included the possibility of phasing in the rate increase, hookup fees, the small number of customers on the systems, the Coulterville Utility Capital fund, the bond debt owed to the Mariposa County Water Agency, etc. Some residents and Advisory Board members requested additional financial information.

Another Advisory Board meeting was held on November 29, 2007. This meeting was well attended by Coulterville residents and the additional financial information was presented. This meeting lasted 2 1/2 hours. At the end of the meeting Lyle Turpin requested that Public Works schedule another Advisory Board meeting prior to January and bring to that meeting four options for the proposed rate increase:
1) The proposed rate increase with no forgiveness of the bond debt
2) The proposed rate increase with forgiveness of the bond debt
3) The proposed rate increase phased in with no forgiveness of the bond debt
4) The proposed rate increase phased in with forgiveness of the bond debt

Another Advisory Board meeting was held on December 20, 2007. The information on the four options was presented and discussed. The Advisory Board voted in favor of Option #4, which is to phase in the rate increase over three years and includes forgiveness of the $129,000 in bond debt owed to the Mariposa County Water Agency.

Public Works is recommending Option #1 for the rate increase. We believe that Option #3 and Option #4 are not fiscally responsible because the Service Area would be operating at a
loss with no known funding source to cover the shortfall. The issue of forgiving the $129,000 in bond debt owed by Coulterville Service Area to the Water Agency was discussed at the Water Agency Advisory Board meeting of October 4, 2007 and the Advisory Board voted unanimously to oppose the forgiveness of that debt. The Water Agency of course has the authority to forgive that debt if they choose to. Since the bond debt pertains to the sewer division of the Coulterville Service area, forgiveness of this debt would lower the proposed monthly fee (per EDU) from $56.00 to $49.00 and would have no effect on the proposed water fees.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board approved the current fees for sewer effective August 1, 2000 Res. No. 00-249. The current fees for water have been in effect since January 1, 1998.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

If fees are not increased in the Coulterville Service area it will need to have its revenue supplemented by another source to remain financially solvent.

<table>
<thead>
<tr>
<th>Financial Impact? ( ) Yes (X) No</th>
<th>Current FY Cost:</th>
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<tbody>
<tr>
<td>Budgeted in Current FY? ( ) Yes ( ) No ( ) Partially Funded</td>
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<td>Amount in Budget: $</td>
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<tr>
<td>Additional Funding Needed: $</td>
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<tr>
<td>Source:</td>
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<tr>
<td>Internal Transfer</td>
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<tr>
<td>Unanticipated Revenue</td>
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<tr>
<td>Transfer Between Funds</td>
<td></td>
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<tr>
<td>Contingency</td>
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<tr>
<td>( ) General ( ) Other</td>
<td></td>
</tr>
</tbody>
</table>

Annual Recurring Cost: $

List Attachments, number pages consecutively
1. Coulterville water division operations (2 pages)
2. Coulterville sewer division operations (2 pages)
3. Coulterville fee increase options (2 pages)

CLERK'S USE ONLY:
Res. No.: 08-13
Vote - Ayes: 4 Noes: 3
Absent: 
Approved
Minute Order Attached ( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.
Date: 
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: 
Deputy

COUNTY ADMINISTRATIVE OFFICER:
Requested Action Recommended
No Opinion
Comments:

CAO:

Revised Dec. 2002
COUNTY of MARIPOSA
P.O. Box 784, Mariposa, CA 95338 (209) 966-3222

LYLE TURPIN, CHAIR
DIANNE A. FRITZ, VICE CHAIR
BRAD ABORN
JANET BIBBY
BOB PICKARD

DISTRICT II
DISTRICT IV
DISTRICT I
DISTRICT III
DISTRICT V

MARIPOSA COUNTY BOARD OF SUPERVISORS
MINUTE ORDER

TO: DANA HERTFELDER, Public Works Director
FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: PUBLIC HEARING Regarding Fees Charged in the Coulterville Service Area for Water and Sewer Service; Approval of Option #1 of the Proposed Fee Schedule

RESOLUTION 08-13

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on January 8, 2008

ACTION AND VOTE:

10:40 a.m. Dana Hertfelder, Public Works Director;
PUBLIC HEARING Regarding Fees Charged in the Coulterville Service Area for Water and Sewer Service; Approval of Option #1 of the Proposed Fee Schedule

BOARD ACTION: Dana Hertfelder advised that Public Works is recommending Option 1, and reviewed the fee schedule in regards to the property tax. Supervisor Bibby requested clarification regarding the Water Agency possibly forgiving the loan, commenting that it was the Water Agency that said the loan should not be forgiven. Dana Hertfelder stated the difference of forgiving or not forgiving the $129,000 loan is $7.00 a month. Supervisor Bibby questioned the 3% consumer index increase. Carl Casey advised this is a common rate increase. Supervisor Bibby asked if this would be brought back. Carl Casey stated this could be brought back to the Board for review if this fee increase ends up being an overcharge to the public.

PUBLIC HEARING WAS CONTINUED TO COULTERVILLE AT 2:00 p.m.

2:00 p.m. The Board reconvened at the Coulterville Community Hall at 10327 Cemetery Street.
Chair Turpin led the pledge, introduced the Board, staff and the new Sheriff, Brian Muller.

Public Presentation: For Items within the Jurisdiction of the Board and not on Today's Agenda.
Concerns were provided by a member of the public regarding junk yards.
Jim Upperman, resident of Coulterville, expressed his concerns regarding bio fuel and advised that he has donated 2 trucks for this purpose. He then spoke of the future of Coulterville youth in allowing them to convert vehicles to bio fuel and hopes the Board will consider this.

2:10 p.m. The Board met in continued meeting from 10:00 a.m. today for PUBLIC HEARING regarding fees charged in the Coulterville Service Area for water and sewer service and approval of Option #1 of the proposed fee schedule
**BOARD ACTION:** Dana Hertfelder presented background information regarding the need and the cost analysis of the proposed fee increase for sewer and water. In addition, he advised that there is a hook up fee that was not included in the original packet prepared for the Board. Dana Hertfelder discussed the previous meetings and issues and discussed all charges involved in this project and of the bond debt owed to the Water Agency. He described the options on the table. Discussion was held with regarding the sewer hook up and the stand by fees. Following discussion, it was clarified that the losses have been covered by budget action transferring funds from the Utility Fund.

Public input was received from the following:

- A member of the audience opposed Option 1.
- Chris Morrey opposed Option 1, stating he finds nothing in the staff report prior to 2002.
- Ann Stewart opposed Option 1, and suggested the Board hire someone in Coulterville to read the meters.
- Jim Uppersman opposed Option 1, and advised that he and a friend have volunteered to read the meters in Coulterville.
- Mary Pike opposed Option 1 saying that people can’t afford the rates to double.
- Mike Ward opposed Option 1.
- Magnum Godfrey opposed Option 1, and suggested increasing the fees slowly.
- Scott Godfrey opposed Option 1.
- A member of the audience opposed Option 1, suggesting the possibility of using solar panels and composting toilets.
- Gale Titon opposed Option 1, but supports Option 4.
- Peter Shimmelfennig, owner of Hotel Jeffery, provided input.
- Steven Huff, Brewsky building owner, opposed Option 1, suggesting that because the area is struggling the fees should come from the General Fund.
- A member of the audience opposed Option 1 and asked for clarification of the forgiveness process. Carl Casey responded.
- Magnum Godfrey spoke regarding the selling of water to Merced.
- Jim Uppersman asked if the off-season could offset the fee based on transient rental fees.
- Wayne Bullis opposed Option 1, commenting that part of the Merced River belongs to the North County.
- Member of the audience opposed Option 1, suggesting the Board take a look at the sewer pond and asked if the Board would come to Coulterville at night once a month due to people that work during the day.
- Steve Huff stated that he would like to have the Board back maybe a couple of times a year. He thanked the Board for coming today.

Carl Casey read a letter into the record from James Johnson opposing Option 1.
- Gordon Casha opposed Option 1 but supports a slow rate increase.
- Further discussion was held relative to implications of phasing in the increases and other options.

Water Agency grants and loans, bonds, interest, future costs of equipment and the current staff report being based on a three year projection that is just enough to make this a self sufficient community and no more.

(M), Pickard (S), Aborn, Res. 08-13 was adopted approving the fee schedule with a three year phasing and direction to bring the item back to the Water Agency to request a $43,000 grant to cover the estimated deficit/Ayes: Aborn, Turpin, Fritz, Pickard; Noes: Bibby. Following discussion, motion was amended to begin fee increase starting February 1, 2008, with subsequent increases on July 1, 2008 and July 1, 2009, motion approved as amended by maker. Under further discussion, this issue will be reviewed annually in the future.

Cc: Chris Ebie, Auditor
File
Certificate of Publication

C.C.P. 2015.5

This place is for filing stamp

PUBLIC HEARING NOTICE

On Tuesday, January 9, 2007 at 10:00 a.m., the Mariposa County Board of Supervisors will conduct a public hearing in the Board Chambers of the Government Center at 6000 Bullion Street, Mariposa, California, to consider a proposed rate increase for fees charged in the Coulterville Service Area for water and sewer service.

Any member of the general public may appear at the hearing and be heard on the proposed action.

Information on the proposed rate is available at the Public Works Department at 4639 Ben Fink Road, Mariposa, CA, 95338, phone number (209) 966-3356.

Date of Signature: 11/22/06

Public Works Director

Dana Hartfield

STATE OF CALIFORNIA )

) ss.

COUNTY OF MARIPOSA )

I, the undersigned, state:

I am the publisher and principal clerk of the *Mariposa Gazette and Miner*, an established weekly newspaper of general circulation, within the Town and County of Mariposa, State of California, within the provision of Chapter 1 Division 7 of Title 1 of the California Government Code, and which newspaper has been printed and published weekly in the Town of Mariposa, County of Mariposa, State of California, continuously since the year 1854; that I am a citizen of the United States, over the age of 18 years, and a resident of the County aforesaid; that the notice, of which the annexed is a printed copy, has been published in each regular issue of said newspaper and not in any supplement thereof on the following dates, to wit:

11/24/06

12/8/06

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature: (R.D. Tucker, Publisher)

Date: 12/9/2007
COUNTY of MARIPOSA

4639 Ben Hur Road
Mariposa, CA 95338
Phone: (209) 966-5356
Fax: (209) 966-2828

Dana S. Hertfelder
Director

December 18, 2007

DEPARTMENT OF PUBLIC WORKS
Divisions of:
Administration
Cemeteries
Design & Construction
Facilities
Roads
Transportation

Airport
County Surveyor
Engineering
Parks & Rec.
Solid Waste
Fleet Maintenance

To: Coulterville residents and property owners

At the request of Lyle Turpin the Public Hearing pertaining to the proposed rate increase for Coulterville water and sewer service that was scheduled for 10:00 a.m. on January 8, 2008 at the Board Chambers in Mariposa will be moved to 2:00 p.m. at the Coulterville Community Center (on January 8th).

The Board of Supervisors concurred with this rescheduling to make it easier for Coulterville residents to attend the Public Hearing. If you are planning to attend please mark your calendar with the new time and location, since we do not want anyone to make an unnecessary trip to Mariposa.

Sincerely,

Carl Casey
Public Works Administrator
# COULTERVILLE SERVICE AREA
## WATER DIVISION OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2004-05 Actual</th>
<th>Fiscal Year 2005-06 Actual</th>
<th>Fiscal Year 2006-07 Actual</th>
<th>Three Year Average</th>
<th>Projected With Increase</th>
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<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>307-0101 Residential</td>
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<td>13,431</td>
<td>14,024</td>
<td>13,703</td>
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<td>307-0102 Commercial</td>
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<td><strong>Total Revenue</strong></td>
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<td>24,575</td>
<td>24,654</td>
<td>24,567</td>
<td>51,773</td>
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<td><strong>Expenses:</strong></td>
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<td>0406 Communications</td>
<td>176</td>
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<td>0410 Insurance</td>
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<td>19</td>
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<td>37</td>
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<td>3,874</td>
<td>666</td>
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<td>1,515</td>
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<td>437</td>
<td>500</td>
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<td>20,174</td>
<td>23,451</td>
<td>26,000</td>
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<td>282</td>
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<td>350</td>
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<td>0434 Administrative Services</td>
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<td>5,116</td>
<td>4,981</td>
<td>4,678</td>
<td>5,000</td>
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<td>6,440</td>
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<td>1,700</td>
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<td><strong>Total Expenses</strong></td>
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<td>43,807</td>
<td>35,101</td>
<td>39,848</td>
<td>48,217</td>
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<td><strong>Profit (Loss) from Operations</strong></td>
<td>(16,164)</td>
<td>(19,232)</td>
<td>(10,447)</td>
<td>(15,281)</td>
<td>3,556</td>
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*Public Works staff charges for operations and maintenance of the system*

Revised 12/17/07
## COULTERVILLE SERVICE AREA WATER DIVISION
### LONG TERM EQUIPMENT REPLACEMENT COSTS

<table>
<thead>
<tr>
<th>Equipment Description</th>
<th>Model/Part #</th>
<th>Quantity</th>
<th>Current Cost</th>
<th>Per</th>
<th>Total Cost</th>
<th>Estimated Life</th>
<th>Cost Over Next 10 Years</th>
<th>Future Cost</th>
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</thead>
<tbody>
<tr>
<td>Pump Replacement</td>
<td></td>
<td>1</td>
<td>$15,000</td>
<td>Each</td>
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<td>10 Years</td>
<td>$15,000</td>
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<tr>
<td>Total Estimated Equipment Costs</td>
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<td></td>
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<td></td>
<td>$15,000</td>
<td>$20,159</td>
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### Notes:
1. The inflation rate used to determine future cost is 3% per year.
2. Based on an average interest earnings rate of 4% on the Utility Capital fund, the annual payment needed to reach the future cost of equipment replacement ($20,159) is $1,679.06.
## COULTERVILLE SERVICE AREA
### WASTEWATER DIVISION OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>FISCAL YEAR 2004-05 ACTUAL</th>
<th>FISCAL YEAR 2005-06 ACTUAL</th>
<th>FISCAL YEAR 2006-07 ACTUAL</th>
<th>THREE YEAR AVERAGE</th>
<th>PROJECTED WITH RATE INCREASE</th>
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</thead>
<tbody>
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<td>23,355</td>
<td>23,968</td>
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<td>307-1009 LEACHATE PROCESSING</td>
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<td>0406 COMMUNICATIONS</td>
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<td>89</td>
<td>133</td>
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<td>0418 PROFESSIONAL SERVICES*</td>
<td>32,989</td>
<td>31,597</td>
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<td>3,989</td>
<td>3,408</td>
<td>3,989</td>
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<td>0565 INTEREST - LONG TERM DEBT</td>
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<td>695</td>
<td>745</td>
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<td>67,756</td>
<td>72,106</td>
<td>73,101</td>
<td>76,479</td>
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<td><strong>PROFIT (LOSS) FROM OPERATIONS</strong></td>
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<td>(11,990)</td>
<td>(20,560)</td>
<td>(19,238)</td>
<td>2,109</td>
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</tbody>
</table>

*Public Works staff charges for operations and maintenance of the system.

Revised 12/17/07
# COULTERVILLE WASTEWATER DIVISION
## LONG TERM EQUIPMENT REPLACEMENT COSTS

<table>
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<tr>
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<th>Current Cost</th>
<th>Per</th>
<th>Total Cost</th>
<th>Estimated Life</th>
<th>Cost Over 10 Years</th>
<th>Future Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pumps At Transfer Station</td>
<td></td>
<td>2</td>
<td>$6,000</td>
<td>each</td>
<td>$12,000</td>
<td>10 Years</td>
<td>$12,000</td>
<td>$16,127</td>
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<tr>
<td>Pumps At Plant</td>
<td></td>
<td>2</td>
<td>$3,000</td>
<td>each</td>
<td>$6,000</td>
<td>10 Years</td>
<td>$6,000</td>
<td>$8,064</td>
</tr>
</tbody>
</table>

| Total Estimated Equipment Costs | | | | | | | $18,000 | $24,191 |

Notes:
1) The inflation rate used to determine future cost is 3% per year.

2) Based on an average interest earnings rate of 4% on the Utility Capital fund, the annual payment needed to reach the future cost of equipment replacement ($24,191) is $2,014.89.
1) RATE INCREASE WITH NO FORGIVENESS OF BOND DEBT

PROPOSED RATE

Water
Residential: $25.50 per EDU plus
$1.70 per 1,000 gallons usage
Commercial: $17.80 per EDU plus
$1.70 per 1,000 gallons usage

Sewer
Residential and Commercial:
$56.00 per month per EDU

2) RATE INCREASE WITH FORGIVENESS OF BOND DEBT

PROPOSED RATE

Water
Residential: $25.50 per EDU plus
$1.70 per 1,000 gallons usage
Commercial: $17.80 per EDU plus
$1.70 per 1,000 gallons usage

Sewer
Residential and Commercial:
$49.00 per month per EDU
## SERVICE AREA INCREASE OPTIONS

<table>
<thead>
<tr>
<th>ANNUAL TFALL</th>
<th>PROPOSED RATE YEAR TWO</th>
<th>ESTIMATED ANNUAL SHORTFALL</th>
<th>PROPOSED RATE YEAR THREE</th>
<th>ESTIMATED ANNUAL SHORTFALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>Residential: $21.05 per EDU plus $1.40 per 1,000 gallons usage</td>
<td>$5,300</td>
<td>Residential: $25.50 per EDU plus $1.70 per 1,000 gallons usage</td>
<td>$0</td>
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<tr>
<td></td>
<td>Commercial: $14.69 per EDU plus $1.40 per 1,000 gallons usage</td>
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<td>Commercial: $17.80 per EDU plus $1.70 per 1,000 gallons usage</td>
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<tr>
<td>000</td>
<td>Residential and Commercial: $49.36 per month per EDU</td>
<td>$7,200</td>
<td>Residential and Commercial: $56.00 per month per EDU</td>
<td>$0</td>
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<tr>
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<td>TOTAL</td>
<td>$12,500</td>
<td>TOTAL</td>
<td>$0</td>
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<tr>
<td>500</td>
<td>Residential: $21.05 per EDU plus $1.40 per 1,000 gallons usage</td>
<td>$5,300</td>
<td>Residential: $25.50 per EDU plus $1.70 per 1,000 gallons usage</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>Commercial: $14.69 per EDU plus $1.40 per 1,000 gallons usage</td>
<td></td>
<td>Commercial: $17.80 per EDU plus $1.70 per 1,000 gallons usage</td>
<td></td>
</tr>
<tr>
<td>000</td>
<td>Residential and Commercial: $44.70 per month per EDU</td>
<td>$2,500</td>
<td>Residential and Commercial: $49.00 per month per EDU</td>
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</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>$7,800</td>
<td>TOTAL</td>
<td>$0</td>
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