RECOMMENDED ACTION AND JUSTIFICATION:

Public hearing regarding fees for the Don Pedro Sewer District; approval of the proposed fee schedule.

Funding for the new Don Pedro wastewater treatment plant is being provided by the United States Department of Agriculture (USDA) Rural Utility Services. Our original application for funding included financial information on the operations of the district. One of the requirements of the USDA for funding this project is that user fees charged to customers will be sufficient to cover routine operations and maintenance of the facility. Based on their review of the information we sent, the opinion of USDA staff was that we would need to increase user fees by a minimum of 10% to meet this requirement.

The Department of Public Works recently performed an analysis of the District’s financial operations (attached). This analysis included a review of long-term equipment replacement needs and how much money needs to be set aside annually to cover this need. Based on this analysis we are recommending a rate increase of 10% in user fees charged to the District.

We are also recommending that the rate charged to the townhouses be changed to the same rate as single family residences. The Engineer’s Report for the assessment district determined that the townhouses and single family residences would benefit equally from the new treatment plant, and the dollar amount assessed for each type of lot was exactly the same. The estimate of flows to the treatment plant was based on an average of 195 gallons per day for both the townhouses and single family residences. The townhouses are currently being charged a higher rate because in the past they were operated like bed and breakfast facilities, and it was assumed that they would place a greater demand on the treatment plant than a typical home.

A letter was sent to all Don Pedro property owners/residents on August 3, 2006 informing them of today’s public hearing. The letter included the proposed rates and the financial summary of district operations.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

On December 6, 2005 the Board adopted a Resolution of Intention to form Assessment District No. 05-01 for the Don Pedro Wastewater Facilities Project, Res. No. 05-575.

On June 20, 2006 the Board adopted a resolution adopting the Engineer’s Report, confirming the assessment and ordering the improvements to be made.

On August 1, 2006 the Board adopted a resolution authorizing the issuance of bonds to finance the project.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not approve the requested action, which would prevent us from being able to utilize funding from the USDA for the new wastewater treatment plant.
Financial Impact? ( ) Yes ( ) No Current FY Cost:
Budgeted In Current FY? ( ) Yes ( ) No ( ) Partially Funded
Amount in Budget: $ __________
Additional Funding Needed: $ __________
Source:
Internal Transfer
Unanticipated Revenue 4/5’s vote
Transfer Between Funds 4/5’s vote
Contingency 4/5’s vote
( ) General ( ) Other

**CLERK’S USE ONLY:**
Res. No. 3444 Ord. No. ______
Vote – Ayes: 5 Noes: ______
Absant: ______
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
TO: DANA HERTFELDER, Public Works Director
FROM: MARGIE WILLIAMS, Clerk of the Board
SUBJECT: DON PEDRO SEWER DISTRICT FEE SCHEDULE
RESOLUTION NO. 06-444

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on September 19, 2006

ACTION AND VOTE:

10:21 a.m. Dana Hertfelder, Public Works Director;
PUBLIC HEARING: Regarding Fees for the Don Pedro Sewer District; Approval of the Proposed Fee Schedule
BOARD ACTION: Dana Hertfelder presented the staff report, and he advised that one of the requirements of the USDA for funding for this project is that user fees charged to customers be sufficient to cover routine operations and maintenance of the facility. He also advised that the rate increase must be performed in compliance with Proposition 218, and he presented a written opinion (letter of August 21, 2006) from Jones Hall advising that this process complies with the requirements. Carl Casey/Public Works Administrator, reviewed the details of the rate increase proposal. He reviewed the operational costs for the last three years; the projected long-term equipment replacement costs; and the proposed fee rates. Staff responded to questions from the Board relative to the recommendation to not change the sewer hookup fee and how this fee compares to other districts – it is the same amount for the other districts; what the process would be in the future when the facilities are transferred to the Community Services District for the District to increase the fees – the District would need to go through a similar procedure to adjust fees; consideration of looking a gradual increases on a regular basis for the special districts; as to what costs are included in the professional services line item – staff time for district operations; clarification of the annual standby fee – this fee is for each undeveloped parcel; and explanation relative to the changes over the last three budget years in the revenues from the collection of standby fees – the information is based on when the actual payments were made.

The public portion of the hearing was opened and input was provided by the following:
Chris Porter, representing Deerwood Corporation, stated they are subject to more than one-half of the assessment district. Ordinarily they would not support fee increases; however, they support this increase as proposed.
Tom Porter, Deerwood Corporation, noted that there were a lot of property transfers during the last year in the district and unpaid fees were collected. He noted that they acquired about 70 parcels.
The public portion of the hearing was closed and the Board commenced with deliberations. (M)Turpin, (S)Fritz, Res. 06-444 was adopted approving the proposed fee schedule for the Don Pedro Sewer District. Staff responded to questions from the Board as to whether any letters were received opposing the fee increase – staff advised that no letters were received, just the letter referred to in the staff report from Jones Hall. Carl Casey noted that the recommended effective date for the fee increase is October 1, 2006. Staff responded to questions from the Board relative to further evaluating the hookup fee – staff will bring back information later this fiscal year; and relative to compliance with advance noticing requirements for the October 1st effective date – staff advised that the effective date was included on the fee schedule that was included with the cover letter that was sent to each of the property owners in the district. The motion was amended, agreeable with the maker and the second, the include direction for staff to send a follow-up letter to the property owners advising of the Board’s decision today to increase the fees. Ayes: Unanimous.

Cc: Chris Ebie, Auditor
File