RESOLUTION - ACTION REQUESTED 2017-815

MEETING: December 5, 2017

TO: The Board of Supervisors

FROM: Mike Healy, Public Works Director

RE: Adopt a Resolution of Intention for Yosemite West Wastewater Rate Increase

RECOMMENDATION AND JUSTIFICATION:
Adopt a Resolution of Intention to Increase Yosemite West Wastewater Rate, and Setting the Time, Date, and Location of Public Hearing

Current wastewater rates in Yosemite West do not generate sufficient revenue to fund the cost of service. Updated rates are required in order to continue providing wastewater service to the Yosemite West community.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
Yosemite West faces operations and maintenance deficits and aging infrastructure, and current wastewater rates do not generate sufficient revenue to fund the cost of service. The Board’s last action to increase wastewater rates has remained unchanged since 2004. Thus, even though it is standard practice for public utilities to update wastewater rates every five years, it has been over twelve years since these rates have been adjusted.

Current wastewater rates include a base rate per account and nine tiered volumetric rates. Subsequent to the adoption of these rates, California courts have held that tiered rates are subject to strict cost justification under Proposition 218. Thus, communities throughout the state are adopting uniform rates, as recommended here by Bartle Wells Associates, in order to ensure compliance with Proposition 218.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
The Board may decline to initiate the Proposition 218 notice and hearing process that is required to establish wastewater rate increases. In that event, this utility will continue to operate at a deficit and may eventually be unable to generate sufficient revenue to comply with California wastewater regulations. It is unclear what the consequences of such a failure might be, but presumably an outside agency would take over this service territory.

FINANCIAL IMPACT:
Unless adopted water and wastewater rates cannot be examined, the rates will remain unchanged and the funds collected for these services will not meet the cost of service.

ATTACHMENTS:
Yosemite West Resolution of Intent for Wastewater Rate Increase (DOC)
Mariposa County Engineers Report No Roads (PDF)
Yosemite West Wastewater Prop 218 Public Notice (DOCX)
Mariposa Rate Study Presentation No Roads 11_28_17 (PDF)

RESULT: ADOPTED [UNANIMOUS]
MOVER: Merlin Jones, District II Supervisor
SECONDER: Rosemarie Smallcombe, District I Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
RESOLUTION NO. 17-815

A RESOLUTION OF THE COUNTY OF MARIPOSA BOARD OF SUPERVISORS DECLARING ITS INTENTION TO ADOPT INCREASED WASTEWATER RATES FOR YOSEMITE WEST, SETTING A PUBLIC HEARING FOR FEBRUARY 6, 2018, AND DIRECTING STAFF TO PROVIDE NOTICE PURSUANT TO PROPOSITION 218

WHEREAS, the County of Mariposa provides wastewater service to the unincorporated area of Yosemite West; and

WHEREAS, pursuant to Resolution No. 17-815 adopted on December 5, 2017, the Board intends to establish the Yosemite West Zone of Benefit for Countywide Service Area No. 1, formed under County Service Area Law (Gov. Code §§ 25210 et seq.); and

WHEREAS, upon formation, the Yosemite West Zone of Benefit will provide wastewater service to Yosemite West; and

WHEREAS, the Board’s last action to increase wastewater rates for Yosemite West occurred in 2004; and

WHEREAS, Yosemite West faces operations and maintenance deficits and aging infrastructure; and

WHEREAS, current Yosemite West wastewater rates do not generate sufficient revenue to fund the cost of service; and

WHEREAS, the County retained Bartle Wells Associates to examine the cost of providing wastewater service to Yosemite West and to prepare a Yosemite West Cost of Service Analysis, which is attached hereto as Exhibit A, and is available for public inspection; and,

WHEREAS, the Yosemite West Cost of Service Analysis recommends increasing Yosemite West wastewater rates; and

WHEREAS, wastewater rate increases are subject to the notice, protest and hearing requirements established under Proposition 218.

NOW, THEREFORE, the Board of Supervisors of the County of Mariposa does hereby resolve as follows:

SECTION 1 The foregoing recitals are true and correct.
SECTION 2 The Yosemite West Cost of Service Analysis is hereby approved and adopted.

SECTION 3 The Board hereby initiates proceedings to adopt the proposed wastewater rates recommended in the Yosemite West Cost of Service Analysis.

SECTION 4 The Board hereby fixes the 6 day of February, 2018 at 2 pm at the Government Center, 5100 Bullion Street, Mariposa CA 95338, as the date, time and place for a public hearing ("Public Hearing") on the proposed Yosemite West wastewater rate increases.

SECTION 5 The Clerk of the Board is hereby instructed to provide notice of the proposed rate increase in conformity with Proposition 218 and the Proposition 218 Omnibus Implementation Act, California Government Code sections 53750 et seq.

SECTION 6 At the Public Hearing, the Board shall consider all objections or protests, if any, to the proposed Yosemite West wastewater rate increase, and any person shall be permitted to present written or oral testimony. Although oral comments at the Public Hearing will not qualify as a formal protest, the Board welcomes community input during the Public Hearing.

SECTION 7 At the conclusion of the Public Hearing, all protests submitted and not withdrawn will be tabulated.

SECTION 8 A majority protest exists if protests are submitted in opposition to the proposed rate increase by a majority (50% plus 1) of the property owners.

SECTION 9 If there is a majority protest against the proposed rate increase, the Board shall not adopt the rate increase.

PASSED AND ADOPTED this 5th day of December, 2017 by the following vote;

AYES: SMALLCOMBE, JONES, LONG, CANN, MENETREY
NOES: NONE
ABSENT: NONE

Marshall Long, Chair of the Board

ATTEST: APPROVED AS TO FORM:

Rene LaRoche, Clerk of the Board

Steven W. Dahlem, County Counsel